



**Alameda County Employees' Retirement Association  
BOARD OF RETIREMENT**

**OPERATIONS COMMITTEE/BOARD MEETING  
NOTICE and AGENDA**

**ACERA MISSION:**

***To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.***

**Wednesday, March 4, 2026  
9:30 a.m.**

| <b>LOCATION AND TELECONFERENCE</b>   | <b>COMMITTEE MEMBERS</b>          |                        |
|--|-----------------------------------|------------------------|
| <b>ACERA<br/>C.G. "BUD" QUIST BOARD ROOM<br/>475 14TH STREET, 10TH FLOOR<br/>OAKLAND, CALIFORNIA 94612-1900<br/>MAIN LINE: 510.628.3000<br/>FAX: 510.268.9574</b><br><br><b>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</b><br><br><a href="https://zoom.us/join">https://zoom.us/join</a><br><b>Call-In Number: 1 699 900 6833</b><br><b>Meeting ID: 879 6337 8479</b><br><b>Password: 699406</b><br><b>For help joining a Zoom meeting, see:</b><br><a href="https://support.zoom.us/hc/en-us/articles/201362193">https://support.zoom.us/hc/en-us/articles/201362193</a> | <b>KELLIE SIMON, CHAIR</b>        | <b>ELECTED GENERAL</b> |
|  | <b>OPHELIA BASGAL, VICE CHAIR</b> | <b>APPOINTED</b>       |
|  | <b>ROSS CLIPPINGER</b>            | <b>ELECTED SAFETY</b>  |
|  | <b>SCOTT FORD</b>                 | <b>ELECTED GENERAL</b> |
|  | <b>STEVEN WILKINSON</b>           | <b>APPOINTED</b>       |
|  |                                   |                        |

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

This is a meeting of the Operations Committee if a quorum of the Operations Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Operations Committee and the Board if a quorum of each attends.

Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at [www.acera.org](http://www.acera.org) and also may be inspected at 475 14<sup>th</sup> Street, 10<sup>th</sup> Floor, Oakland, CA 94612-1900.

Public comments are limited to four minutes per person in total. The order of the items on the agenda is subject to change without notice.

*Note regarding accommodations:* If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours prior to the meeting at [accommodation@acera.org](mailto:accommodation@acera.org) or at 510-628-3000.

# ***OPERATIONS COMMITTEE/BOARD MEETING***

NOTICE and AGENDA, Page 2 of 2 – March 4, 2026

Call to Order: 9:30 a.m.

Roll Call

**Public Input (Time Limit: 4 minutes per speaker)**

**Action Items: Matters for Discussion and Possible Motion by the Committee**

**1. Administrative Hearing Policy Review**

-Jeff Rieger

Recommendation

Affirm Administrative Hearing Policy without revision.

**2. Education Policy Review**

-Jeff Rieger

Recommendation

Revise Education Policy per the redline in the public agenda backup.

**3. Tax Regulations Review**

-Jeff Rieger

Recommendation

Revise Tax Regulations per the proposed revised Tax Regulations in the public agenda backup.

**Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports**

**1. Operating Expenses as of 01/31/26**

-Lisa Johnson

**2. ACERA Strategic Business Initiatives 2026 Presentation**

-ACERA Senior Leaders

**Trustee Remarks**

**Future Discussion Items**

- Operating Expenses as of 02/28/26
- Statement of Reserves 12/31/26

**Establishment of Next Meeting Date**

May 6, 2026, at 9:30 am

**Adjournment**



*Office of the Chief Counsel*

To: Operations Committee  
From: Jeff Rieger, Chief Counsel  
Meeting: March 4, 2026  
Subject: **Policy Review**

A handwritten signature in blue ink, appearing to be "M. S.", located to the right of the header information.

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At this meeting, the Committee will review the following Policies:

Administrative Hearing Policy: This Policy, which follows this memorandum, is up for review under the normal three-year review cycle. It has been serving its purpose and working well. Thus, staff recommends that the Board affirm the Policy without revision.

Education Policy: New laws, effective January 1, 2026: (1) expand to some ACERA staff members the Ethics Training requirement that already applies to Trustees, and (2) newly require "Fiscal and Financial Training" for Trustees and some ACERA staff members. The proposed revisions are designed to comply with the new laws. With respect to staff, there is some ambiguity about how far down the chain of command the training requirements apply and the new law states that the Board may designate staff members who must take the trainings. The proposed revisions, shown in the redline that follows the Administrative Hearing Policy in this packet, are based staff's best analysis of the new laws as they apply to ACERA's management structure.

Tax Regulations: The proposed revisions to ACERA's Tax Regulations are for clarity and to adjust figures (e.g., ages, compensation limits) that have changed in recent years. ACERA's Tax Counsel has proposed these revisions. Staff does not anticipate any significant changes to ACERA's operations due to the proposed revisions, as staff has endeavored to implement new tax laws and regulations as they become applicable. The revised Tax Regulations will provide more formal and definitive guidance for staff, the public and any other body (e.g., the IRS) that may review ACERA's operations. Following the redline to the Education Policy in this packet there is clean copy of proposed revised regulations. I expect to upload a redline showing the changes by February 27, 2026. We are doing some quality control on the redline and that process is labor intensive.



# Administrative Hearing Policy

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## I. Purpose

This Policy provides a procedure for the Board to review ACERA Staff decisions, except for disability matters. Hearings on disability matters are governed by the Disability Retirement Procedures. The objective of this Policy is to ensure a fair and efficient consideration of member and beneficiary requests.

## II. Definitions

- A. Applicant: A member or beneficiary of ACERA.
- B. Board: The ACERA Board of Retirement.
- C. Day: Calendar day.
- D. Hearing: The presentation of sworn testimony, other evidence, and legal argument before the Board or Hearing Officer.
- E. Hearing Officer: Person who conducts an administrative hearing on issues related to a matter referred to that person and who provides Findings of Law and Fact to the Board and a Proposed Recommendation. Government Code section 31533 provides who may be a Hearing Officer.
- F. CEO: Chief Executive Officer of ACERA.

## III. Matters Regarding Policy and Board Discretion

- A. Nothing in this Policy requires staff to take a position on an applicant's request. Staff may elevate an applicant's request to the CEO without denying the request.
- B. Nothing in this Policy requires the CEO to take a position on an applicant's request. If the CEO determines that the applicant's request implicates matters of policy or falls within the Board's discretion to grant or deny, the CEO may bring the matter to the Board for resolution without proceeding through the procedures in Section IV below. In such cases:

1. The CEO will provide the applicant with at least 30-day notice that the matter will be brought to the Board for consideration at a public meeting.
2. The applicant will be permitted to submit written materials for the Board's consideration no later than 15 days before the Board meeting at which the matter will be considered. Ordinarily such materials will be included in the Board's public agenda backup but may be provided in the Board's confidential packet when authorized by law.
3. The matter will ordinarily be placed on the Board's agenda for open session at a regularly scheduled Board meeting. The CEO may place the matter on the Board's closed session agenda if the matters to be discussed are protected from public disclosure pursuant to the Brown Act.
4. The applicant will have the opportunity to address the Board at the meeting when the matter is considered, subject to the Board Chair's control of the meeting.
5. The Board may hold a closed session to consult with Chief Counsel or outside counsel when authorized and properly agendaized under the Brown Act.
6. The Board may issue a final decision or may require further proceedings, which may (but need not) include the procedures outlined in Section IV below.

#### IV. Guidelines and Procedures for Appeals of Denied Requests

##### A. Filing a Timely Appeal from a Denied Request

1. An applicant may appeal ACERA staff's decision in writing to the CEO within 30 calendar days of the date of staff's notification to the applicant of the decision. The CEO may consider a late appeal if the CEO determines there was good cause for the late appeal or consideration of the late appeal is in the interests of ACERA and its membership. The CEO will respond in writing with a decision either supporting the position taken by ACERA staff or modifying or overturning that decision.
2. The Board delegates to the CEO full authority to make all initial determinations regarding claims by applicants and participating employers. The CEO will consult with appropriate advisers as the CEO deems necessary.

3. If the applicant does not agree with the decision of the CEO, the applicant may appeal the decision in writing to the Board within 30 calendar days of the date on the CEO's notification to the applicant of the decision.
  4. Appeals to the Board from administrative decisions will ordinarily be placed on the Board's agenda for open session at a regularly scheduled Board meeting. The CEO may place the matter on the Board's closed session agenda if the matters to be discussed are protected from public disclosure pursuant to the Brown Act.
  5. Failure to file a timely appeal will constitute a waiver of the right to have the appeal heard, although the CEO may allow an untimely appeal to proceed to the Board, if the CEO determines there was good cause for the late appeal or consideration of the late appeal is in the interests of ACERA and its membership.
- B. Date and Notice of Hearing:
1. The Board may hear the matter directly or refer it to a Hearing Officer for a recommendation to the Board for final decision. (Govt. C. 31533).
  2. If the Board hears the matter directly, the hearing shall be set by the office of the CEO at the earliest mutually agreeable date and the office of the CEO shall deliver by US mail and email (if available), a notice of hearing to the applicant and all other parties at least 30 days before the hearing, unless the parties agree to a shorter notice period. ACERA shall provide a copy of this Policy and any applicable regulations regarding the administrative hearings.
  3. When the Board hears a matter directly, the Board may alter or truncate the procedures described in this Policy when it determines that doing so is in the interests of justice and efficiency.
- C. Appointment of Hearing Officer
1. If the Board refers the matter to a Hearing Officer, the process will be as follows:
    - a. The Board will refer the matter to the Legal Department for assignment of a Hearing Officer from a rotating list of approved Hearing Officers.
    - b. The Legal Department will provide the first name on the rotating list to the parties.

- c. Either party may challenge a Hearing Officer for cause by filing a written objection with the Legal Department with 10 calendar days of the date of the notice of the list. A challenge for cause is an allegation that the Hearing Officer cannot be fair and impartial. The Legal Department shall review the challenge for cause and, if sustained, select another name from the list of Hearing Officers and advise the parties accordingly. If circumstances giving rise to a challenge for cause arise or are discovered after appointment of the Hearing Officer, and the Hearing Officer does not recuse him or herself, the party challenging the Hearing Officer may make a record of the circumstances and present them to the Board when the matter is before the Board pursuant to section F(1)(b) below.
  2. The Hearing Officer will set the date of the hearing in conjunction with the schedules of the parties.
- D. Conduct of Hearing
1. The Board Chair or Hearing Officer shall preside over the hearing.
  2. The Chair or Hearing Officer shall make all rulings necessary for fair and efficient proceedings, including the admissibility of evidence, conduct of witnesses and parties and scheduling.
  3. Parties (including ACERA Staff) and their counsel are prohibited from having communications with Board members or Hearing Officers regarding matters related to the hearing without the presence or knowledge of the other party.
- E. Hearing Process
1. All parties are entitled to representation by an attorney licensed to practice in the State of California at any hearing at the sole expense of that party. Once ACERA has notice that an attorney is representing an applicant, all notices and other papers shall be served on the attorney.
  2. The party seeking relief from ACERA has the burden of proof and shall present their case first, followed by ACERA staff. In all cases, the presentation may include:
    - a. Opening statement;

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- b. Testimony of witnesses and presentation of documentary evidence;
  - c. Cross examination of witnesses;
  - d. Rebuttal evidence;
  - e. Closing statements
3. Both ACERA staff and the applicant are entitled to submit written evidence or argument to the Board or Hearing Officer. Each side will provide copies of the materials proposed to be offered at the hearing to the other side at least 10 days before the hearing is held.
  4. Evidence
    - a. Witnesses must testify under oath or affirmation administered by the Hearing Officer or the Board Chair.
    - b. Each party is responsible for obtaining those subpoenas it deems necessary for the presentation of its evidence at hearing. All subpoenas are to be issued in accordance with Government Code section 31535.
    - c. The hearing need not be conducted accordingly to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing.
    - d. The Hearing Officer or Board Chair has discretion to admit relevant and reliable evidence to or exclude irrelevant or repetitious evidence.
    - e. The record shall be closed to new evidence at the conclusion of the final day if hearing unless each party stipulates to leave the record open.
- F. Board Consideration and Action
1. Hearing Officer Findings of Fact, Conclusion of Law and Recommended Decision

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- a. Following a hearing by a Hearing Officer, the Hearing Officer shall transmit to the Board written proposed findings of fact, conclusions of law, and recommendations.
  - b. Upon receiving proposed findings of fact and recommendations, the Board may do one of the following:
    - 1) Approve and adopt the proposed findings and recommendations; or
    - 2) Require a transcript or summary of all the testimony, plus all other evidence received by the referee. Upon receipt thereof the Board shall take such action in its opinion is indicated by such evidence; or
    - 3) Refer the matter back to the hearing office with instructions for further proceedings; or
    - 4) Set the matter for hearing before the Board. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.
  - c. Staff will notify the applicant in writing of the Board's determination within 10 days of the hearing.
2. Board Hearing
    - a. Following the hearing, the Board will deliberate and vote on the matter and instruct staff to notify the applicant in writing of the Board's determination within 10 days. The determination may, but need not, include a statement of decision.
    - b. A Board member who did not attend all portions of a Board hearing may not participate in the Board's deliberations and vote, unless all the following conditions are met:
      - 1) A quorum of members who attended the full hearing is not available;
      - 2) The member has read the transcript (or listened to the audio recording) of that portion of the hearing during which he or she was not in attendance; and

- 3) The member has stated on the record that he or she has undertaken and completed such review.

G. Review of the Board's Decision: The Board has exercised its discretion to establish the procedures outlined in this Policy. The procedures outlined in this Policy are not required by law. Board decisions made pursuant to this Policy are reviewable by ordinary mandamus under Code of Civil Procedure section 1085.

#### V. Policy Review

The Operations Committee shall review this policy at least every three years to ensure that it remains relevant and appropriate.

#### VI. Policy History

The Board adopted this policy on July 19, 2018<sup>1</sup>.

The Board reviewed and affirmed this policy, with revisions on April 20, 2023.

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<sup>1</sup> The Board adopted the Administrative Hearing Policy on July 19, 2018. The Board adopted the Administrative Appeals Procedures on September 17, 2015. The Board reviewed and affirmed the Administrative Appeals, with revisions, May 19, 2016 and September 17, 2020.



# Board Education Policy

## I. Purpose

To establish guidelines and procedures for Trustees to fulfill their fiduciary responsibilities and satisfy the education requirements in the Government Code.

## II. Assumptions

~~The Policy rests on the following important assumptions:~~

- A. The role of a Trustee is distinct from that of management and requires different knowledge and education.
- B. Education will assist Trustees in carrying out their fiduciary responsibilities.
- C. Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration and therefore must acquire an appropriate level of knowledge of all significant facets of plan administration.
- D. No single method of educating Trustees works for everyone so a variety of approaches is appropriate. Trustees have discretion to determine which programs best meet their needs and the objectives of this policy.
- E. This Policy complies with Government Code section 31522.8.

## III. Objectives

~~The objectives of this Policy are as follows:~~

- A. Ensure that all Trustees gain the knowledge they need to effectively carry out their fiduciary responsibilities as defined by the County Employees Retirement Law of 1937 ~~Act~~ (Government Code §31450, et seq.).
- B. Ensure that access to the necessary educational opportunities is available to all Trustees.
- C. Ensure that Trustees possess a shared knowledge of pension administration that facilitates group discussion, debate, and effective decision-making.
- D. Ensure that Trustees have the opportunity to acquire relevant knowledge across all major aspects of pension plan administration.
- E. Ensure that all newly appointed or elected Trustees are provided with sufficient knowledge

to effectively participate in Board and committee deliberations.

F. Ensure equitable allocation of opportunities for education and training where discounts and/or attendance quantities are limited due to Brown Act limitations.

G. Ensure compliance with laws regarding required training for ACERA staff members.

#### IV. Policy Guidelines

##### Trustee Education and Training Requirements

All Trustees agree to develop and maintain their knowledge and understanding of the issues involved in the management of ACERA.

##### A. Minimum Hours of Education

1. All new Trustees must receive a minimum of 24 hours of Board member education within the first two years of assuming office.
2. After first two years of assuming office, each Trustee must receive a minimum of 24 hours of Board member education every two years.

##### B. Educational Topics

1. Trustees agree to develop and maintain relevant knowledge across a broad spectrum of pension-related topics in at least the following areas:
  - a. Fiduciary responsibilities.
  - b. Ethics.
  - c. Pension fund investments and investment program management.
  - d. Actuarial matters.
  - e. Pension funding.
  - f. Benefits administration.
  - g. Disability evaluation.
  - h. Fair hearings.
  - i. Pension fund governance.
  - ±j. Fiscal and financial matters.

##### C. Process for Selecting Educational Opportunities

1. Trustees shall consider the following requirements when selecting an educational vehicle that best meets their needs:

- a. The opportunity is designed to provide Trustees with the knowledge they need to carry out their responsibilities;
  - b. The opportunity assists Trustees in securing a useful level of knowledge of the areas listed above;
  - c. The opportunity meets the requirements of this Policy; and
  - d. The cost-effectiveness of the program.
2. Trustees will attend appropriate educational programs, such as:
    - a. Conferences, seminars, workshops, and roundtables;
    - b. Courses, workshops and presentations sponsored by academic institutions or external service providers;
    - c. In-house workshops, seminars, or presentations delivered by ACERA staff;
    - d. Self-study from relevant periodicals, articles, trade journals, textbooks, and electronic media or other sources of educational material; and
    - e. Any other educational opportunities that the Trustees deem appropriate.
  3. Educational seminars sponsored by pension fund organizations or accredited academic institutions shall be deemed to meet the Trustee education requirements.

D. Orientation Program

1. A formal orientation program shall be developed by senior management for the benefit of new Trustees designed to ensure that new Trustees are in a position to contribute fully to Board and committee deliberations, and effectively carry out their fiduciary duties as soon as possible after joining the Board.
2. New Trustees shall be encouraged to participate in the orientation program within 45 days of being elected or appointed to the Board.
3. The orientation program shall include:
  - a. An Orientation Handbook;
  - b. Introduction to all key members of senior management and staff;
  - c. A tour of the ACERA offices; and
  - d. A comprehensive briefing by senior management.
4. The Orientation Handbook shall include:

- a. Most recent plan description and member handbook;
- b. Roles and responsibilities of Trustees, committees, and senior management;
- c. Copies of ACERA Board policies;
- d. Most recent actuarial valuation and financial statements;
- e. Most recent actuarial asset/liability study;
- f. Most recent investment performance report;
- g. Most recent business plan and budget;
- h. Up-to-date organizational chart;
- i. Up-to-date names and phone numbers of other Trustees and the CEO;
- j. Relevant readings covering pension fiduciary fundamentals; and
- k. Copies of relevant ACERA publications/brochures.

E. Required Trustee Trainings

1. Sexual Harassment Prevention Training

- a. Each trustee is required to take two hours of sexual harassment prevention training within the first six months of taking office and every two years after that. (Government Code §§53237, et. seq.)

b. Sexual harassment prevention training obtained by a Trustee at an employer will satisfy this requirement if the training complies with current legal requirements and was completed within one year before the Trustee took office.

b.c. ACERA staff members must complete all Sexual Harassment Prevention Training required by law. The County of Alameda tracks ACERA staff members' compliance with such law.

2. Ethics Training:

- a. Each Trustee is required to take ethics training within ~~one year~~six months of taking office and every two years after that. (Government Code §§53234, et seq.)

a.b. The CEO and all managers who report directly to the CEO must meet the same ethics training requirements on the same timelines described above for Trustees.

c. The California Attorney General's website includes training for "Local Officials" that satisfies this requirement.

d. Fiscal and Financial Training

- a. Each Trustee must receive two hours of fiscal and financial training every two years. Trustees already on the Board as of January 1, 2026 must receive their first two hours of training before January 1, 2028. Trustees who commenced service after January 1, 2026 must receive the receive their first two hours within six months after being sworn in as a Trustee.
- b. The CEO, all managers who report directly to the CEO, the Fiscal Services Officer and all Investment Officers must meet the same requirements on the same timelines described above for Trustees.
- ~~b.c.~~ Government Code Section 53238 defines “fiscal and financial training.” Training that meets the definition will be provided at conferences and/or the ACERA Legal Office will refer Trustees and staff members to appropriate training opportunities.

F. Policy Compliance

1. Each Board member must maintain a record of his or her compliance with the education requirements (Government Code §31522.8). The Board members must certify their compliance on the form attached as Exhibit A and provide the form to the Legal Office no later than January 31 for the previous calendar year.
2. This Policy and an annual report on Board Member Compliance with the Policy will be on the ACERA website (Government Code §31522.8).
3. Trustees agree to be accountable to each other, as a group, for complying with the provisions of this Policy.
4. The Legal Office will ~~maintain-keep~~ records ~~indicating-of~~ the date sexual harassment prevention training ~~(Trustees), -and~~ ethics training and fiscal and financial training (Trustees and staff), were completed and the entities that provided the trainings.

V. Policy Review

This policy shall be reviewed by the Operations Committee every three ~~(3)~~ years to ensure that it remains relevant and appropriate.

VI. Policy History

The Board reviewed and affirmed this policy, with revisions, on March ~~1920~~, 20265.<sup>1</sup>

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<sup>1</sup> The Board adopted the Policy (then named the Trustee Education Policy) on October 16, 1999. The Board reviewed and affirmed with revisions September 18, 2003; November 18, 2003; November 9, 2006; December 18, 2008; December 20, 2012; October 17, 2013; September 17, 2015; January 19, 2017; February 15, 2018; November 21, 2019; ~~and~~ January 18, 2024 and March 20, 2025.



## Certification of Compliance: Board Education Policy

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I, \_\_\_\_\_, am a Trustee on the Board of Retirement for the Alameda County Employees' Retirement Association (ACERA).

I have been informed of the education and continuing education requirements under California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

I hereby state that I am in compliance with the obligations imposed on me by California Government Code Section 31522.8 and ACERA's *Board Education Policy*.

This is applicable for the period January 1, \_\_\_\_\_, to December 31, \_\_\_\_\_.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION**

**REGULATIONS FOR IRC CODE § 401(a)**

**DISTRIBUTION RESTRICTIONS**

# **ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **REGULATIONS FOR IRC SECTION 401(a)**

### **RETURN TO WORK AND SEPARATION FROM SERVICE**

#### **SECTION I. PURPOSE AND SCOPE**

In accordance with section 31485.15 and section 31525 of the California Government Code, these regulations with respect to the return to work of retired Members and a bona fide separation from service prior to such return to work applicable for the Association in accordance with the Internal Revenue Code (the "Code") were originally adopted effective as of January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal tax law under Code section 401(a), the regulations as set forth herein are amended effective as of March 19, 2026. For these regulations, Code includes the Treasury regulations issued under the Code.

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish any reasonable procedures dealing with the return to work of Members following retirement under the Association and the requirement for a bona fide separation of service that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes.

Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### **SECTION II. RETURN TO WORK AND BONA FIDE SEPARATION FROM SERVICE**

For purposes of employment with the County or a participating employer under the Association after retirement for service, a Member who has not attained Normal Retirement Age (as established by the Association) shall have a bona fide separation from service to the extent required by section 401(a) of Title 26 of the United States Code. A bona fide separation from service is defined as follows:

1. The Member has not entered into any predetermined agreement (either written or unwritten) with the County or a participating employer under the Association prior to retirement to return to work after retirement, regardless of the length of the separation.
2. Prior to entering into an agreement to return or returning to employment with the County or a participating employer under the Association while retired, the Member must have a separation from service of at least 90 day separation from service.
3. The Member may be employed by the County or a participating employer under the Association prior to the time in sections 1 and 2 for emergency situations as defined in Government Code section 8558 and under the PEPRA return to work restrictions.
4. In the event the Member returns to work without a bona fide separation and without the right under Government Code section 8558, ACERA's Board Policies will delineate a process to address the violations and will detail the rules defined in Government Code section 8558.

# **ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **SECTION III. COMPLIANCE WITH PEPRA RETURN TO WORK RULES**

Notwithstanding the provisions of Section II above, to the extent the provisions of the California Public Employees' Pension Reform Act of 2013 ("PEPRA") would require a greater period of separation from service prior to any Member returning to work (either before or after such Member has attained Normal Retirement Age), the provisions of PEPRA shall apply and such Member must meet that greater required separation from service prior to return to work. Under PEPRA, a general Member cannot return to service without meeting the separation in service rules provided under PEPRA even if the Member reaches Normal Retirement Age.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION**

**REGULATIONS FOR IRC CODE § 401(a)**

**NORMAL RETIREMENT AGE**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 401(a)

### NORMAL RETIREMENT AGE

#### SECTION I. PURPOSE AND SCOPE

In accordance with section 31485.15 and section 31525 of the California Government Code, these regulations were originally adopted effective October 15, 2015, to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association") with respect to the normal retirement age applicable for the Association in accordance with the Internal Revenue Code (the "Code"). To comply with changes in federal law under Code section 401(a), the regulations as set forth herein are amended effective as of March 19, 2026. For these regulations, Code includes the Treasury regulations issued under the Code.

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish any reasonable procedures for determining and applying the normal retirement age requirements that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes.

Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### SECTION II. NORMAL RETIREMENT AGE

1. Normal Retirement Age for general members who do not meet the definition of "new member" under California Government Code section 7522.04(f) is the earliest of: (1) the age when a member completes 30 years of service; (2) when the member attains age 50 after completing at least 5 years of service and 10 years of membership; or (3) when the member attains age 70. This is in accordance with California Government Code section 31672 and the safe harbor provisions in Treasury Regulation section 1.401(a)-1(b)(2)(ii), Proposed Treasury Regulation section 1.401(a)-1(b)(2)(v)(B), (E), and (J) and a good faith interpretation of the application of the pre-ERISA vesting rules in accordance with Revenue Ruling 71-147.
2. Normal Retirement Age for safety members who do not meet the definition of "new member" under California Government Code section 7522.04(f) is the earliest of: (1) the age when a member completes 20 years of service; (2) when the member attains age 50 after completing at least 5 years of service and 10 years of membership; or (3) when the member attains age 70. This is in accordance with California Government Code sections, 31672, 31663.25 and 31553.26 and the safe harbor provisions in Treasury Regulation section 1.401(a)-1(b)(2)(v), Proposed Treasury Regulation section 1.401(a)-1(b)(2)(v)(F), and (H).
3. Normal Retirement Age for general members who meet the definition of "new member" under California Government Code section 7522.04(f) is the earlier of: (1) the year when the member attains age 52 after completing at least 5 years of service; or (2) age 70. This is in accordance with California Government Code sections 7522.20 and 31672.3 and safe harbor provisions in Treasury Regulation section 1.401(a)-1(b)(2)(ii) and good

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

faith interpretations of Proposed Treasury Regulation section 1.401(a)-1 and the application of the pre-ERISA vesting rules in accordance with Revenue Ruling 71-147.

4. Normal Retirement Age for safety members who meet the definition of "new member" under California Government Code section 7522.04(f) is the earlier of: (1) the year when the member attains age 50 after completing at least 5 years of service; or (2) age 70. This is in accordance with California Government Code sections 7522.25 and 31672.3, and safe harbor provisions in Treasury Regulation section 1.401(a)-1(b)(2)(ii) and good faith interpretations of Proposed Treasury Regulation section 1.401(a)-1 and the application of the pre-ERISA vesting rules in accordance with Revenue Ruling 71-147.
5. The Board of Retirement for the Association may periodically review and change the Normal Retirement Age of its Members based on the criteria described in Treasury Regulation section 1.401(a)-1 and Proposed Treasury Regulation section 1.401(a)-1 as deemed necessary by the Board, or to the extent required to comply with section 401(a) of the Code or for any other reasons determined by the Board. The normal retirement age determined herein does not create any "vested rights" under California or federal law including but not limited to the contracts clause of the California Constitution.

**ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**REGULATIONS FOR IRC CODE § 401(a)(9)**

**REQUIRED MINIMUM DISTRIBUTION RULES**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 401(a)(9) MINIMUM REQUIRED DISTRIBUTIONS

### SECTION I. GENERAL RULES

#### A. Purpose and Effective Date

In accordance with sections 31485.14, 31525 and 31706 of the California Government Code, these regulations with respect to the minimum distribution requirements under section 401(a)(9) of the Internal Revenue Code (the "Code") were originally adopted effective January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"), and were subsequently amended effective September 19, 2024. To comply with changes in federal tax law under Code section 401(a)(9), the regulations as set forth herein are amended effective as of March 19, 2026.

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish reasonable procedures for complying with the minimum distribution requirements under section 401(a)(9) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes.

#### B. Reasonable Good Faith Interpretation of Code

In accordance with section 823 of the Pension Protection Act of 2006 ("PPA") and section 1.401(a)(9)-1(a)(3) of the Treasury regulations, these regulations are promulgated in accordance with a reasonable good faith interpretation of section 401(a)(9) of the Code, and the Treasury regulations thereunder, as applicable to a governmental plan within the meaning of section 414(d) of the Code. For purposes of section 401(a)(9), Code means the Code and applicable Treasury regulations as they apply under a reasonable good faith interpretation of section 401(a)(9).

#### C. Elections Under TEFRA § 242(b)(2)

Notwithstanding the other requirements of this regulation to the contrary, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act.

Capitalized terms used in this Regulation are defined in Section VI. Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

### SECTION II. TIME AND MANNER OF DISTRIBUTION

#### A. Required Beginning Date

The Member's entire interest will be distributed, or begin to be distributed, no later than the Member's Required Beginning Date.

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## B. Forms of Distribution

### 1. Periodic And Other Forms Of Payments

A Member's entire interest in the Association shall be distributed in the form of RMD Annuity payments that meet the requirements of paragraph 2 of this subsection or in the form of a single sum or an insurance company annuity contract that meets the requirements of paragraph 3.a of this subsection. Payments may be made in a combination of these forms of payment and may include lump sum refunds or withdrawals of Member contributions or death benefits as provided in the CERL provided that these forms comply with a reasonable good faith interpretation of Code section 401(a)(9).

### 2. General Rules Regarding RMD Annuities

If the Member's interest is to be paid in the form of an RMD Annuity, the RMD Annuity must meet the following requirements:

#### a. Periodic

RMD Annuities must be paid over equal payment intervals which may not be longer than one year.

#### b. Distribution Period

RMD Annuities will be paid over the life or lives of the Member and a beneficiary or over a period certain that does not exceed the maximum length of the period described in Section III or Section IV of this regulation.

#### c. Increases

RMD Annuities may not increase over time except in accordance with the rules in Section V.A.

#### d. Change in Period Paid

The period over which an RMD Annuity is paid can be changed only in accordance with section 1.401(a)(9)-6(n) of the Treasury regulations.

#### e. Commencement

Payment of the RMD Annuity must start no later than the Required Beginning Date.

### 3. Other Forms

#### a. Annuity Contract

If the Member's interest is distributed in the form of an annuity contract purchased from an insurance company, distributions thereunder will be

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made in accordance with the requirements of Section 401(a)(9) of the Code.

b. Individual Account

Any part of the Member's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code that apply to individual accounts.

**C. Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals.**

The amount that must be distributed on or before the Member's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Member's Required Beginning Date. If the Member dies before distributions begin, the same rules apply with reference to the date distributions are required to begin under section IV.A.1 or IV.A.2.

### SECTION III. RMD ANNUITY DISTRIBUTIONS BEGINNING DURING MEMBER'S LIFE

The following rules must be met to comply with the requirements of the Code and this regulation for RMD Annuities that begin during the Member's lifetime.

**A. Single Life RMD Annuity**

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime only, with no benefits paid to any other person, meets the requirements of the Code and this regulation.

**B. Joint and Survivor RMD Annuity - Death of Member After Benefits Begin**

If Member dies after RMD Annuity payments have commenced to the Member, then distributions must continue to be made over the remaining period over which distributions commenced in accordance with the schedule of payments made to the Member. Reasonable delay for administration may occur, but in this case payments that should have been made in accordance with the original payment schedule must be made with the first resumed payment.

**C. Joint and Survivor RMD Annuity With Spouse as the Sole Beneficiary**

An RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of the Member's surviving Spouse, with no benefits paid to any other person, meets the requirements of the Code and this regulation regardless of the difference in age of the Member and the Member's Spouse in accordance with Treasury regulation section 1.401(a)(9)-6(b)(2)(ii).

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### D. **Joint and Survivor RMD Annuity When the Sole Beneficiary Is Not the Member's Spouse**

#### 1. Limit on Percentage of Member's RMD Annuity Paid to Non-Spouse Beneficiary

The survivor annuity percentage of an RMD Annuity that begins no later than the Required Beginning Date and is paid for the Member's lifetime and the lifetime of a beneficiary other than the Member's surviving Spouse must not at any time exceed the applicable percentage of the RMD Annuity payment during the Member's lifetime, using the table set forth in Treasury regulation section 1.401(a)(9)-6(b)(2)(iii), as determined in the manner described in Treasury regulation section 1.401(a)(9)-6(b)(2)(iii). This Treasury Regulation requires that the RMD Annuity payable to the Member's beneficiary after the Member's death not exceed the percentage of the RMD Annuity payable to the Member during the Member's life specified in the table if the adjusted age difference between the Member and the beneficiary is more than 10 years.

#### 2. Rule Regarding Children of Member

Under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and in accordance with Treasury regulations section 1.401(a)(9)-6(p), and taking into account the vested rights in retirement benefits created by the California Constitution, if a survivor benefit is payable to a surviving child of the Member for a limited period of time (such as until the child reaches the age of 22), the survivor benefit shall be treated as payable solely to the surviving Spouse of the Member.

### E. **Period Certain RMD Annuity**

#### 1. Spouse is the Sole Beneficiary

If the Member's sole beneficiary is the Member's surviving Spouse in accordance with section 1.401(a)(9)-5(c)(2), and the form of distribution is a period certain with no life annuity, the period certain may not exceed the joint life and last survivor expectancy of the Member and Spouse as determined in accordance with the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9(d), of the Treasury Regulations, using the Member's and Spouse's ages as of the Member's and Spouse's birthdays in the calendar year that contains the Annuity Starting Date.

#### 2. Spouse is Not the Sole Beneficiary

When the Member's surviving Spouse is not the sole beneficiary then the period certain may not exceed the period established under the Uniform Lifetime Table in Treasury regulations section 1.401(a)(9)-9(c) for the calendar year that contains the Annuity Starting Date. If the Member is younger than the Applicable RMD Age in that year, then the distribution period for the Member is the distribution period for the Applicable RMD Age increased by the difference between the Applicable RMD Age and the age of the Member in the year of the Annuity Starting Date. Also see below regarding Designated Beneficiaries.

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### 3. Rule Regarding Children of Member

Under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and in accordance with Treasury regulations section 1.401(a)(9)-6(p), and taking into account the vested rights in retirement benefits created by the California Constitution, the period certain distribution rules shall not apply to survivor benefits payable to children of the Member but the rules of section III.D above shall apply.

## SECTION IV. DISTRIBUTIONS WHEN MEMBER DIES BEFORE BENEFITS BEGIN

If a Member dies before distributions begin, distributions after the death of the Member must meet the following requirements:

### A. **When Distributions Must Begin**

#### 1. Spouse is the Sole Designated Beneficiary

If the Member's sole Designated Beneficiary is the Member's surviving Spouse, then, except as provided in paragraph 5 of this subsection A, distributions to the surviving Spouse must begin by December 31 of the calendar year immediately following the calendar year in which the Member died or, if later, by December 31 of the calendar year in which the Member would have reached the Applicable RMD Age.

#### 2. Spouse is not the Sole Designated Beneficiary

If the Member's sole Designated Beneficiary is not the Member's surviving Spouse, then, except as provided in paragraph 5 of this subsection A, distributions to the Designated Beneficiary must begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

#### 3. No Designated Beneficiary

If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, then distributions of the Member's entire interest must be completed by December 31 of the calendar year that contains the fifth anniversary of the Member's death.

#### 4. Death of Surviving Spouse Who Is the Sole Designated Beneficiary

If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse are required to begin, then this section IV.A, other than section IV.A.1 applies as if the surviving Spouse were the Member.

#### 5. Election of Five Year Rule

A Designated Beneficiary may elect, at the time and in the manner determined by the System, to have the five year rule of section IV.A.3 apply, but solely to the

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extent that the Designated Beneficiary may elect, under the CERL, a benefit which will be paid in the required time period.

### **B. When Distributions Are Considered to Begin**

For purposes of this Section IV, unless Section IV.A.4 applies, distributions are considered to begin on the Member's Required Beginning Date. If Section IV.A.4 applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section IV.A.1. If distributions under an RMD Annuity meeting the requirements of this regulation commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section IV.A.1), the date distributions are considered to begin is the date distributions actually commence.

### **C. Length of Distribution Period**

#### **1. Member Is Survived by a Designated Beneficiary**

##### **a. General Rule**

If the Member is survived by a Designated Beneficiary, the Member's entire interest in the System shall be distributed over the life of the Designated Beneficiary or over a period certain that does not exceed the period specified in C.1.b

##### **b. Period Certain**

The period certain in C.1.a may not exceed the Designated Beneficiary's life expectancy determined using the Single Life Table in Treasury regulations section 1.401(a)(9)-9(b). If the Annuity Starting Date is in the first Distribution Calendar Year, the life expectancy shall be determined using the Designated Beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death. If the Annuity Starting Date is before the first Distribution Calendar Year, then the life expectancy is determined using the Designated Beneficiary's age in the calendar year that contains the Annuity Starting Date.

#### **2. No Designated Beneficiary**

If there is no Designated Beneficiary as of the September 30 of the year following the year of the Member's death, distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

#### **3. Death of Surviving Spouse Before Distributions To Spouse Begin**

If the Member's surviving Spouse is the Member's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section IV.C shall apply as if the surviving Spouse were the Member, except

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that the time that distributions are required to begin is determined without regard to Section IV.A.1.

### SECTION V. SPECIAL RULES

#### A. RMD Annuity Payment Increases

RMD Annuity payments will either not increase over time or increase only as follows:

1. Cost of Living Adjustments

a. Annual COLA Increases

RMD Annuity payments may increase by an annual percentage that does not exceed the percentage increase in an eligible cost-of-living index, as defined in section 1.401(a)(9)-6(o)(2) of the Treasury regulations, for a 12-month period ending in the year during which the increase occurs or a prior year.

b. Cumulative COLA Increases

RMD Annuity payments may increase by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index, as defined in the preceding paragraph since the Annuity Starting Date, or if later, the date of the most recent percentage increase.

c. Additional COLA Increases

Under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and in accordance with Treasury regulations section 1.401(a)(9)-6(o)) and taking into account the vested rights in retirement benefits created by the California Constitution, RMD Annuity payments may increase by a percentage or amount that is determined by the System, in accordance with the CERL, to represent an appropriate amount to take account of cost of living increases affecting retirees or beneficiaries.

2. "Pop-Up's"

RMD Annuity Payments may increase to the extent of the reduction in the amount of the Member's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period dies or is no longer the Member's beneficiary pursuant to a domestic relations order under applicable state law.

3. Single Sum Distribution

RMD Annuity Payments may increase to the extent necessary to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Member's death under a good faith interpretation of the Code and Treasury regulations as provided under Treasury

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regulations section 1.401(a)(9)-1(a)(3), and section 1.401(a)(9)-6(o)(1)(vi) , and taking into account the vested rights in retirement benefits created by the California Constitution, to allow a beneficiary to select a lump sum distribution of all or part of the Member's interest under the Association as provided in the CERL.

### 4. Plan Amendment

Benefits may increase if they result from an amendment to, or interpretation of, the CERL, the California Government Code or any other applicable law governing benefits for Members or from an ordinance, resolution or regulation pursuant to such law.

### 5. Other Benefits

Benefits may increase (i) to the extent increases are permitted in accordance with paragraph (3) or (4) of section 1.401(a)(9)-6(o) of the Treasury regulations dealing with additional permitted increases for annuity payments under annuity contracts purchased from an insurance company and additional permitted increases for annuity payments from a qualified trust; (ii) pursuant to Article 5.5 of the CERL dealing with the Supplemental Retiree Benefit Reserve; (iii) pursuant to Section 31691.1 of the CERL; and (iv) pursuant to sections 31681.1 et. seq., and 31739 et. seq. of the CERL.

## **B. Additional Accruals After First Distribution Calendar Year**

Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

## **C. Domestic Relations Orders**

Under a good faith interpretation of the Code and Treasury regulations as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and section 1.401(a)(9)-8(d)(b)(2)(ii), and taking into account the vested rights in retirement benefits created by the California Constitution, if Article 8.4 of the CERL applies (relating to the establishment of separate accounts under domestic relations orders), then both the Member and the Member's former Spouse shall be deemed to be separate Members of the System for purposes of these regulations and section 401(a)(9) of the Code.

## **D. Reciprocal Member**

Under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and Treasury regulations section 1.401(a)(9)-2(b), and taking into account the vested rights in retirement benefits created by the California Constitution, if a deferred Member is a current employee and a member of another retirement system with which the Association has reciprocity under California law, then for purposes of determining the Required Beginning Date under the Association the Member shall be treated as a current employee of the Association and as such, as if he or she had not retired, even if he or she has attained the Applicable RMD Age.

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## **E. Public Safety Member Killed In Line of Duty**

Under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and Treasury regulations section 1.401(a)(9)-6(b)(2)(ii) and (p), and taking into account the vested rights in retirement benefits created by the California Constitution, any additional retirement benefits paid under CERL section 31787.5 to the surviving Spouse of a public safety Member killed in the line of duty shall not be limited by Code section 401(a)(9) because they shall be treated as incidental death benefits.

## **F. Rollovers**

Amounts that are required minimum distributions cannot be rolled over to another qualified retirement plan or other tax-favored vehicle. The amount that cannot be rolled over shall be determined in accordance with Treasury regulations section 1.402(c)-2(f).

## **G. Payments to Surviving Child Treated as Made to Surviving Spouse**

Solely to the extent required by section 401(a)(9) of Title 26 of the United States Code and under a good faith interpretation of the Code as provided under Treasury regulations section 1.401(a)(9)-1(a)(3), and in accordance with Treasury regulations section 1.401(a)(9)-6, and taking into account the vested rights in retirement benefits created by the California Constitution, for purposes of Code section 401(a)(9) and these regulations, payments to a Member's surviving child in accordance with the requirements of section 1.401(a)(9)-6(p) of the Treasury regulations shall be treated as if such payments had been made to the Member's surviving Spouse to the extent the payments become payable to the surviving Spouse upon the child's attainment of the age of majority, as determined in accordance with the terms of the plan that satisfied Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations as they appeared in the April 1, 2021 version of the Code of Federal Regulations, or upon the occurrence of such other event specified in Q&A-15 of section 1.401(a)(9)-6 of the Treasury regulations as they appeared in the April 1, 2021 version of the Code of Federal Regulations, or as otherwise specified in IRS guidance under section 401(a)(9) of the Code.

## **SECTION VI DEFINITIONS**

### **A. Annuity Starting Date**

"Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an RMD Annuity or, in the case of a retirement benefit not payable in the form of an RMD Annuity, the first day on which all events have occurred which entitle the Member to payment.

### **B. Applicable RMD Age**

"Applicable RMD Age" means (a) age 70 ½ if the Member attains age 70 ½ before January 1, 2020; (b) age 72 if the Member attains age 70 ½ on or after January 1, 2020 and age 72 before January 1, 2023; (c) age 73 if the Member attains age 72 on or after January 1, 2023 and age 73 before January 1, 2033; or (d) age 75 if the Member attains age 73 on or after January 1, 2033.

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### C. Designated Beneficiary

"Designated Beneficiary" means the individual who is designated by the Member (or the Member's surviving Spouse) as the beneficiary of the Member's interest under the Association and who is the designated beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-4 of the Treasury regulations. Accordingly, entities other than individuals, such as the Member's estate or a trust, cannot be a Designated Beneficiary of a Member's interest in the Association. However, the individuals who are beneficiaries under a designated trust shall be treated as Designated Beneficiaries for purposes of determining the distribution period under this regulation and Code section 401(a)(9) if all of the applicable requirements of Treasury regulation section 1.401(a)(9)-4(f)(2) are met. If all of such applicable requirements are not met, then the distribution of the Member's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

### D. Distribution Calendar Year

"Distribution Calendar Year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Member's Required Beginning Date. For distributions beginning after the Member's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section IV.A of this regulation.

### E. Required Beginning Date

"Required Beginning Date" means April 1 of the calendar year following the later of the calendar year in which the Member attains the Applicable RMD Age or the calendar year in which the Member retires.

### F. RMD Annuity

"RMD Annuity" means, for purposes of the required minimum distribution rules in section 401(a)(9) of the Code, a distribution form providing for periodic payments for a specified period of time. "RMD Annuity" for purposes of this regulation does **not** mean "annuity" as defined in the County Employee Retirement Law but instead means a retirement benefit that is payable by the Association.

### G. Spouse

Consistent with Federal tax rules, the term "Spouse" means the person to whom a Member is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction). In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state.

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**REGULATIONS FOR IRC CODE § 401(a)(17)**

**COMPENSATION LIMIT**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 401(a)(17)

### COMPENSATION LIMIT

#### SECTION I. PURPOSE AND SCOPE

In accordance with section 31525 and section 31671 of the California Government Code, these regulations with respect to the limit on annual compensation under section 401(a)(17) of the Internal Revenue Code (the "Code") were originally adopted effective as of January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal tax law under Code section 401(a)(17), the regulations as set forth herein are amended effective as of March 19, 2026. For these regulations, the Code includes Treasury regulations issued under section 401(a)(17).

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish reasonable procedures for complying with the limit on annual compensation under section 401(a)(17) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes.

Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### SECTION II. LIMITATION ON ANNUAL COMPENSATION EARNABLE

##### A. In General

##### 1. Annual Compensation Earnable Limit

The annual amount of compensation that is taken into account in determining all benefits provided by the Association to affected Members for any year, which is referred to in the CERL and in these Regulations as "Compensation Earnable", shall in no event be greater than the amount allowed by Code section 401(a)(17) adjusted in accordance with the Code for increases in the cost of living. This limit has been increased by cost of living adjustments to \$350,000 for 2025. This limit is called the Annual Compensation Earnable Limit in these regulations. (Certain Members may also be subject to the limitation on Pensionable Compensation under Government Code section 7522.10(c) and (d), which would produce a lower limit than the limit under section 401(a)(17) of the Code.)

##### 2. Members Affected By the Annual Limit

##### a. Not Applicable to Pre-January 1, 1996 for Association Members

The Annual Compensation Earnable Limit does not apply to any individual who first became a Member of the Association prior to January 1, 1996.

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b. Applies to New Members of the Association On and After January 1, 1996

In accordance with Government Code section 31671, the Annual Compensation Earnable Limit shall apply to all individuals who first become Members of the Association on or after January 1, 1996.

c. Date First Becomes a Member

An individual first becomes a Member on the date that a Member first became a Member in the Association, regardless of whether the Member terminated and resumed participation in the Association at a later date.

### **B. Operational Rules, In General**

This section applies to members who are not grandfathered under Section A.2.a.

1. Limited Compensation Earnable

All Compensation Earnable that would be taken into account for determining benefits provided by the Association without regard to these regulations is subject to the Annual Compensation Earnable Limit. Such Compensation Earnable is not limited to salary or to base salary.

2. Benefits Affected by the Limit

The Annual Compensation Earnable Limit applies to the determination of all benefits provided by the Association including pensions, annuities, retirement allowances, death benefits, disability benefits, refunds and withdrawals that are determined by member contributions (including such contributions that are or may have been in the past "picked up" by the employer under Code section 414(h)(2)) and earnings thereon.

3. Compensation Earnable from More Than One Employer

If Compensation Earnable from more than one employer that participates in the Association is taken into account in determining a Member's benefits, the Annual Compensation Earnable Limit shall apply separately to the Compensation Earnable from each employer. For example, if the Compensation Earnable Limit is \$350,000 for the year and the Member has Compensation Earnable of \$250,000 from one participating employer and \$125,000 from another participating employer, the unreduced total Compensation Earnable from each employer may be taken into account. The Annual Compensation Earnable Limit does not apply to the aggregate of Compensation Earnable earned from all employers that participate in the Association.

4. Proration for Short Plan Year

If a plan year consists of fewer than 12 months, the Annual Compensation Earnable Limit is an amount equal to the otherwise applicable Annual Compensation Earnable Limit multiplied by a fraction, the numerator of which is

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the number of months in the short plan year, and the denominator of which is 12. No proration is required for participation of less than a full plan year.

### 5. Reciprocity and New Membership in the Association

An individual who becomes a Member of the Association on or after January 1, 1996, and who has reciprocity with another public sector retirement plan nevertheless is a new Member of the Association. Membership before January 1, 1996 in another retirement plan with which the Association has reciprocity does not create pre-January 1, 1996 Association membership for purposes of the Annual Compensation Earnable Limit.

### 6. Reciprocity and Prior Membership In the Association

A person who was a grandfathered Member of the Association prior to January 1, 1996 under Section A.2.a, who terminated employment with an employer that participated in the Association, remains a Member of the Association prior to January 1, 1996. Therefore, if the Member established reciprocity between another public sector retirement plan and the Association, any higher Compensation Earnable that is earned under the other plan shall be taken into account by the Association in accordance with the rules of reciprocity and that Compensation Earnable shall not be limited by the Annual Compensation Earnable Limit.

### 7. Relationship Between Section 415 Limit and Compensation Earnable Limit

The limits of Code section 415 and Code section 401(a)(17) are separate and independent. Each limit is operated according to its own rules and applies separately. Therefore, the Annual Compensation Earnable Limit may apply to a Member and the Code section 415 limit may not apply. Similarly, the Code section 415 limit may apply to a Member and the Annual Compensation Earnable Limit may not apply. Also, both of these limits may apply to the same Member.

### 8. Clarification Concerning Member Contributions

Because Member contributions are the basis for benefits provided by the Association, Member contributions shall not be made by taking into account Compensation Earnable in excess of the Annual Compensation Earnable Limit. To the extent the provisions of the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), including Government Code section 7522.10(h) include greater limitations on the manner in which Member contributions may be calculated, such limits shall apply to the calculation of Member contributions.

### 9. General Plan Year Rule for Determining the Limit

If Compensation Earnable for any prior plan year is taken into account in determining a Member's benefits for the current plan year, the Compensation Earnable for such prior plan year is subject to the applicable Annual Compensation Earnable Limit in effect for that prior plan year. In addition, in determining benefits for plan years beginning on or after January 1, 2002, the

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Annual Compensation Earnable Limit in effect for plan years beginning before that date is \$200,000.

## SECTION III. PLAN YEAR AND cost of living adjustments

### A. Annual Adjustment for Cost-of-Living Increases

The Annual Compensation Earnable Limit may be adjusted annually by the Internal Revenue Service for cost of living changes in accordance with the Code.

### B. General Rule--Application of Limit to a Plan Year

In general, the Annual Compensation Earnable Limit is applied to the Compensation Earnable for the plan year on which accruals of benefits from the Association are based.

### C. Plan Year Compensation Earnable

#### 1. General Rule

To the extent that the Association determines Compensation Earnable for benefit accruals for a plan year based on Compensation Earnable for the plan year, then the Annual Compensation Earnable Limit that applies for that plan year is the limit in effect for the calendar year in which the plan year begins. Since the Association's plan year corresponds to the calendar year, the Compensation Earnable used to determine all benefit accruals for each plan year is limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with that plan year.

#### 2. Member Contributions

Since the Association's plan year corresponds to the calendar year, the Compensation Earnable used to determine Member contributions for each plan year shall be limited to the Annual Compensation Earnable Limit in effect as of January 1 of the calendar year that coincides with the plan year.

### D. Examples

#### 1. Example - Retirement Allowance

The retirement allowance provided by the Association for certain Members is based on the highest 12 consecutive months of Compensation Earnable ending within the plan year. The Annual Compensation Earnable Limit was \$330,000 for the 2023 calendar year and \$345,000 for the 2024 calendar year. A Member retires in May, 2024. The Member's highest 12 consecutive months of Compensation Earnable is for the period May 1, 2023 through April 30, 2024. The annual Compensation Earnable used for determining this Member's benefits for the 2024 year is limited to \$330,000, not \$345,000, because this is the limit in effect for the calendar year in which the 12-consecutive month period began.

For some Members of the Association, including Members subject to the requirements enacted under the Public Employees' Pension Reform Act of 2013

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

("PEPRA"), the retirement allowance provided by the Association is based on the highest 36 consecutive months of Compensation Earnable ending within the plan year. The Annual Compensation Earnable Limit was \$290,000 in 2021, \$305,000 for 2022, \$330,000 for 2023, and \$345,000 for 2024. A Member retires in May 2024. The Member has \$360,000 per year (\$30,000 per month) of Compensation Earnable during the Member's highest 36 consecutive months of Compensation Earnable for the period May 1, 2021 through April 30, 2024. The Association may not base the Member's benefits for 2024 on annual Compensation Earnable in excess of \$308,333, the average of the limits in effect for each of the three 12-consecutive month periods: the May 1, 2021 through April 30, 2022 period is capped at \$290,000, the 2021 limit; the May 1, 2022 through April 30, 2023 period is capped at \$305,000, the 2022 limit; and the May 1, 2023 through April 30, 2024 period is capped at \$330,000, the 2023 limit. The average of these capped amounts, \$308,333, is the Annual Compensation Earnable Limit for determining benefits for the 2024 plan year for a Member who retires in May, 2024 because that is the average limit for the three calendar years in which the Member's average 36 consecutive months' Compensation Earnable begins.

### 2. Example: Member Contributions

The refund or withdrawal benefits from Member contributions are accrued on an annual basis. The Annual Compensation Earnable Limit was \$330,000 for the 2023 calendar year; \$345,000 for the 2024 calendar year; and \$350,000 for the 2025 calendar year.

Since the Association's plan year corresponds to the calendar year, the Annual Compensation Earnable Limit for Member contributions was \$330,000 for the 2023 plan year; \$345,000 for the 2024 plan year; and \$350,000 for the 2025 plan year.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT  
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**REGULATIONS FOR IRC CODE § 401(a)(31) &  
402(c)**

**ROLLOVERS**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 402(c)

### ROLLOVERS

#### SECTION I. PURPOSE AND SCOPE

In accordance with section 31485.15 and section 31525 of the California Government Code, these regulations with respect to rollovers into and out of the Association in accordance with the Internal Revenue Code (the "Code") were originally adopted effective as of January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal law under Code sections 401(a)(31) and 402(c), the regulations as set forth herein are amended effective as of March 19, 2026. For these regulations, Code includes the Treasury regulations issued under the Code.

These regulations are intended to be in accordance with the Code and the applicable Treasury regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish any reasonable procedures for paying rollover distributions or accepting rollover contributions that it deems necessary or desirable for complying with applicable tax laws or for administrative purposes.

Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### SECTION II. ROLLOVER DISTRIBUTIONS FROM THE ASSOCIATION

##### A. Rollovers

###### 1. Direct Rollover

A "Direct Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Retirement Plan, and may also be referred to as a trustee-to-trustee transfer to an Eligible Retirement Plan, at the direction of an Eligible Individual.

###### 2. Indirect Rollover

An "Indirect Rollover" is that portion of an Eligible Rollover Distribution that the Association pays directly to an Eligible Individual.

##### B. Eligible Individuals

###### 1. Eligible Individual

Only an "Eligible Individual" may elect a Direct Rollover. An "Eligible Individual" is:

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

### a. Terminated From Employment

A Member who has terminated employment from the County (or other agency covered by the Association) and who is eligible to withdraw his or her accumulated Member contributions under the Association;

### b. Surviving Spouse

A deceased Member's surviving Spouse;

### c. Alternate Payee

A Member's or former Member's Spouse or former Spouse who is the alternate payee under a domestic relations order, as defined in Code section 414(p), with regard to the interest of the Spouse or former Spouse; and

### d. Non-Spouse Beneficiary

A deceased Member's non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E), subject to the non-spouse beneficiary provisions in Section II.G.

## 2. Spouse

Consistent with Federal tax rules, the term "Spouse" means the person to whom a Member is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction). In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state.

## C. **Payments that Can and Cannot be Rolled Over**

### 1. Eligible Rollover Distribution Required

The Association will pay a Direct Rollover on behalf of an Eligible Individual only if the payment is an "Eligible Rollover Distribution."

### 2. Eligible Rollover Distribution Defined

An "Eligible Rollover Distribution" is any distribution to an Eligible Individual of all or any portion of the amount credited to the Eligible Individual under the Association. These amounts may include (a) refunds of Member contributions plus accumulated interest, or (b) one-time lump sum death benefit payments.

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### 3. After-Tax Portion

The portion of a distribution that consists of after-tax Member contributions may be rolled over if the after-tax funds are transferred in a direct trustee-to-trustee transfer to (a) a qualified trust or (b) an annuity contract described in Code section 403(b). After-tax Member contributions may also be rolled over to an individual retirement account or annuity described in Code section 408(a) or (b). The qualified trust or annuity contract must separately account for the transferred after-tax amounts, and must also separately account for the earnings on the after-tax amounts.

### 4. Exclusions From Eligible Rollover Distributions

An Eligible Rollover Distribution does not include the following kinds of payments:

#### a. Periodic Payments

Payments that are part of a series of substantially equal periodic payments (i) made at least once per year over the life (or life expectancy) of the Eligible Individual or the life (or life expectancy) of the Eligible Individual and his or her designated beneficiary, or (ii) made for a period of 10 years or more; or

#### b. Required Distributions

Payments that are "required minimum distributions" under Code section 401(a)(9).

## D. **Eligible Retirement Plans**

### 1. Payment to Eligible Retirement Plan

The Association will pay an Eligible Rollover Distribution directly to an "Eligible Retirement Plan."

### 2. Eligible Retirement Plan Defined

An "Eligible Retirement Plan" is:

- a. An annuity plan described in Code section 403(a);
- b. An annuity contract described in Code section 403(b);
- c. A governmental eligible deferred compensation plan described in Code section 457(b) that agrees to separately account for amounts transferred into such plan from the Association;
- d. An individual retirement annuity described in Code section 408(a);
- e. An individual retirement account described in Code section 408(b);

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- f. A Roth IRA described in Code section 408A; or
- g. A qualified trust described in Code section 401(a) (including defined benefit pension plans and defined contribution plans such as 401(k) plans, profit sharing plans, and money purchase plans).

### 3. Certain Exclusions

An Eligible Retirement Plan does not include, and a rollover cannot be made to, a SIMPLE IRA or a Coverdell Education Savings Account.

## E. **Direct Rollovers**

### 1. Withholding and Direct Rollovers

The Association will not withhold any federal or state income taxes from a Direct Rollover. The only exception is that the Association will withhold federal or state income taxes from a Direct Rollover to a Roth IRA if the Eligible Individual requests that withholding on a form and in the manner prescribed by the Association.

### 2. Administrative Requirements, In General

An Eligible Individual who requests a Direct Rollover must complete a distribution form in the manner and form that the Association prescribes. The Association may require the Eligible Individual to provide any reasonable information and/or documentation for purposes of administering the Direct Rollover in accordance with the Code.

### 3. Rollover Check

The Eligible Individual must provide the Association with the name of the Eligible Retirement Plan to which the rollover check will be made payable for his or her benefit. If the Eligible Individual so chooses, the Association will provide this rollover check directly to the Eligible Individual who will be responsible for delivering the check to the recipient IRA or plan.

### 4. Eligible Individual's Responsibility Re Recipient Plan

The Eligible Individual is responsible for ensuring that any Eligible Retirement Plan that he or she has designated to receive the Eligible Individual's distribution from the Association in a Direct Rollover is an Eligible Retirement Plan that will accept and receive the rollover on his or her behalf in accordance with the applicable tax rules.

### 5. Time of Payment

The Association will pay a Direct Rollover on behalf of an Eligible Individual as soon as is reasonably and administratively practicable in accordance with its withdrawal and/or death benefit payment processes.

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## F. Indirect Rollovers

### 1. Choice of Indirect Rollover

An Eligible Individual, other than a non-spouse beneficiary, may also choose to receive a rollover payment as an Indirect Rollover.

### 2. Indirect Rollover Withholding

An Indirect Rollover is subject to 20% federal income tax withholding and any applicable state withholding. The Association will withhold and deduct these taxes on behalf of the Eligible Individual as prescribed by federal and applicable state law.

### 3. Eligible Individual's Responsibility Re Recipient Plan

It is the responsibility of the Eligible Individual to roll over all or some portion of his or her Indirect Rollover payment to an IRA or eligible employer plan within 60 days if he or she wants the payment to qualify as a rollover for tax purposes. If an Eligible Individual wants to roll over 100% of the payment, the Eligible Individual must replace the 20% that was withheld for federal income taxes (and any applicable state withholding) with other money.

## G. Direct Rollover of a Non-Spousal Distribution

### 1. Trustee-To-Trustee Transfer Required

A rollover on behalf of a non-spouse beneficiary must be a direct or trustee-to-trustee transfer and may not be paid in the form of an Indirect Rollover.

### 2. Non-Spouse Beneficiaries Who May Rollover and Rollover to Inherited IRA Only

A non-spouse beneficiary who is a "designated beneficiary" under Code section 401(a)(9)(E) may roll over all or any portion of the non-spouse beneficiary's Eligible Rollover Distribution to an IRA that is established by the non-spouse beneficiary for purposes of receiving the distribution and that is treated as an "inherited IRA" under the Code. The IRA must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the beneficiary (for example, "Tom Smith as beneficiary of John Smith").

### 3. Trust as Beneficiary

If the non-spouse beneficiary is a trust, the Association may make a Direct Rollover to an IRA on behalf of the trust, provided the beneficiaries of the trust satisfy the requirements to be designated beneficiaries within the meaning of Code section 401(a)(9)(E). The IRA on behalf of the trust must be established in a manner that identifies it as an IRA with respect to a deceased individual and it must identify the deceased individual and the trust beneficiary (for example, "The Smith Family Trust as beneficiary of John Smith").

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## H. Notice Requirements

### 1. 402(f) Notice From the Association

The Association will provide the tax notice required under Code section 402(f) to each Eligible Individual who requests a withdrawal from the Association.

### 2. Time Periods

The Association will not process any withdrawals from the Association until 30 days after the date such notice is received by the Eligible Individual requesting the withdrawal. If, however, the Eligible Individual waives this 30-day period on a form and in the manner prescribed by the Association, the Association may process the withdrawal before the 30-day period expires.

## SECTION III. ROLLOVER CONTRIBUTIONS TO THE ASSOCIATION

Adoption of regulations providing for the acceptance of certain rollover contributions as determined below does not create any continuing entitlement for Eligible Members to make rollover contributions to the Association in the future and the right to make rollover contributions to the Association may be amended or terminated at any time and for any reason.

If the Association has determined to permit any rollover contributions, the Association will permit Eligible Members to make a rollover contribution to the Association subject to the limitations and conditions described in this Section III.

## A. General Rules

### 1. Eligible Member

An "Eligible Member" is (1) an active Member of the Association, or (2) a Member of the Association that has elected a deferred retirement.

### 2. Rollovers Allowed

The Association will permit an Eligible Member to make a rollover contribution to the Association for (a) a purchase of service credit (to the extent a purchase of service credit is not prohibited under the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), or (b) a redeposit of previously withdrawn funds plus accumulated interest.

### 3. Separate Accounting

The Association will separately account for all rollover contributions.

### 4. Certification to the Association By Member

Only eligible rollover distributions as defined by Code section 402(c)(4) can be contributed to the Association. In addition to any requirements under subsections B, C, and D below, each Eligible Member making a rollover contribution to the Association must certify in writing the source of the rollover funds and that the rollover contribution is an eligible rollover distribution under the

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Code. The Association will not accept rollovers of any after-tax contributions or amounts attributable to designated Roth contributions, amounts that represent minimum required distributions, or any rollover that is an indirect rollover.

### 5. Elections and Association Discretion

An Eligible Member must make an election to purchase service credit or redeposit previously withdrawn contributions with a rollover contribution in the manner and form that is prescribed by the Association. The Association has final discretionary authority to determine whether any required information or documentation is satisfactory, whether a purchase of service credit would be prohibited under PEPPRA, and whether the Association will accept an Eligible Member's rollover contribution.

### 6. Correction of Errors

If the Association accepts a rollover contribution that it later determines was not eligible to be rolled over to the Association, the Association will distribute, as soon as administratively possible, the amount of the rollover contribution back to the Eligible Member, plus accumulated interest.

## **B. Rollovers from Qualified Plans**

### 1. Acceptance of Rollover

The Association may accept a rollover from another plan that is qualified under Code section 401(a) and exempt from tax under Code section 501(a).

### 2. Required Due Diligence Procedure

The Association must take reasonable steps to confirm the sending plan's tax-qualified status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

#### a. Eligible Member Certification

The Eligible Member must provide the following additional information to the Association:

- i. A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from a Code section 401(a) qualified plan, contains no after-tax or designated Roth contributions or earnings, or any amounts representing a required minimum distribution under Code section 401(a)(9); or
- ii. A signed certification from the transferring plan's administrator that the rollover contribution contains no after-tax or designated Roth contributions or earnings, nor

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any amounts representing a required minimum distribution under Code section 401(a)(9).

If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

### b. Association Verification of Payment Source

The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the former 401(a) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

### c. Association Verification That the Plan is a Tax-Qualified Plan

The Association must take reasonable steps to verify that the rollover will be from a tax-qualified plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

- i. The Association may look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. The Association will check the entry on the line for characteristics indicating that the plan is intended to be a qualified plan (e.g. examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is qualified, unless the Association has any direct evidence to the contrary.
- ii. If the qualified plan is not required to file Form 5500 or Form 5500-SF, then the Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is a qualified plan: (a) a copy of the plan's most recent favorable determination letter from the Internal Revenue Service stating that the plan is tax-qualified and a written certification from the plan's administrator that the plan continues to be tax-qualified, or (b) a written and signed certification from the plan's administrator that the source of the eligible rollover distribution is a qualified plan under Code section 401(a).

## C. **Rollovers from an IRA**

### 1. Acceptance of Rollover

The Association may accept a rollover from an individual retirement account or annuity (IRA) described in Code section 408(a) or Code section 408(b).

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## 2. Required Due Diligence Procedure

The Association must take reasonable steps to confirm the IRA's status and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

### a. Eligible Member Certification

The Eligible Member must provide the following additional information to the Association:

- i. A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from his or her IRA and contains no after-tax or designated Roth contributions or earnings, nor any amounts representing a required minimum distribution under Code section 401(a)(9) or ; or
- ii. If the Eligible Member cannot certify, with respect to the after-tax or designated Roth contributions, a signed certification from an accountant or tax advisor or the IRA trustee/custodian providing the amount of pre-tax contributions and after-tax or designated Roth contributions in the IRA.

The Association will only accept a rollover contribution from the IRA in the amount of the pre-tax contributions and earnings. If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

### b. Association Verification of Payment Source

The Association must take reasonable steps to verify that the payment source (on the incoming check or wire transfer) is the IRA of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

## D. **Rollovers from Other Plans: 457(b) and 403(b)**

### 1. Acceptance of Rollover

The Association may accept rollover contributions from an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (a "governmental 457(b) plan"), and an annuity contract described in Code section 403(b).

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

### 2. Required Due Diligence Procedure

The Association must take reasonable steps to confirm the sending plan's status as an eligible 457(b) plan or an eligible Code section 403(b) annuity or custodial account and that the rollover contribution is valid. The Association may rely on IRS guidance such as that provided in Revenue Ruling 2014-9 and any successor guidance with respect to simplified due diligence processes that may be allowed by the Internal Revenue Service.

#### a. Eligible Member Certification

The Eligible Member must provide the following additional information to the Association:

- i. A statement signed under penalty of perjury by the Eligible Member certifying that the rollover contribution is from an eligible 457(b) or 403(b) plan and contains no after-tax or designated Roth contributions or earnings; or
- ii. A signed certification from the transferring plan's administrator that the rollover contribution contains no after-tax or designated Roth contributions or earnings.

If an Eligible Member does not provide such evidence, the Association will not accept the rollover.

#### b. Association Verification of Payment Source

The Association must take steps to verify that the payment source (on the incoming check or wire transfer) is the former eligible 457(b) or 403(b) plan of the Eligible Member as represented by the Eligible Member on his or her request to make a rollover.

#### c. Association Verification That the Plan is an Eligible Plan

The Association must take reasonable steps to verify that the rollover will be from an eligible 457(b) plan or 403(b) plan which can include the following or any other methods allowed in guidance issued by the Internal Revenue Service.

- i. The Association may look up the transferring plan's latest Form 5500 filing, if any, in the Department of Labor's EFAST2 database for assurance that the plan is intended to be a qualified plan. The Association will check the entry on the line for characteristics indicating the plan is intended to be an eligible 457(b) or 403(b) plan (e.g., examining line 8a on the current Form 5500 or line 9a on Form 5500-SF). If Code 3C is not entered on these lines, the Association may reasonably conclude that the plan is an eligible plan, unless the Association has any direct evidence to the contrary.

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- ii. If the 457(b) or 403(b) plan is not required to file Form 5500 or Form 5500-SF, then the Eligible Member must provide one of the following to the Association demonstrating that the source of the rollover contribution is an eligible governmental 457(b) plan or a Code section 403(b) plan: (a) a copy of the transferring plan's most recent private letter ruling from the Internal Revenue Service stating that the transferring plan qualifies as an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable, and a signed certification from the transferring plan's administrator that the transferring plan continues to be so qualified, or (b) a signed certification from the transferring plan's administrator that the rollover distribution source is an eligible governmental 457(b) plan or a Code section 403(b) plan, as applicable.

If the above verification cannot be made, the Association will not accept the rollover.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT  
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**REGULATIONS FOR IRC CODE § 401(h)**

**RETIREE HEALTH BENEFITS**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 401(h)

### RETIREE HEALTH BENEFITS ACCOUNTS

#### SECTION I. GENERAL RULES

##### A. Purpose and Effective Date

In accordance with sections 31691 and 31694 of the California Government Code, these regulations with respect to the requirements under section 401(h) of the Internal Revenue Code (the "Code") were originally adopted effective January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal tax law, the regulations as set forth herein are amended effective as of March 19, 2026.

These regulations are intended to be in accordance with the Code and the applicable Treasury Regulations. To the extent there is a conflict between these regulations and the Code and Treasury regulations, the applicable federal law will govern.

The Association may establish reasonable procedures for complying with the requirements under section 401(h) of the Code that it deems necessary or desirable to comply with applicable tax laws or for administrative purposes.

#### SECTION II. COMPLIANCE WITH THE TAX CODE SECTION 401(H) REQUIREMENTS

##### A. General Rule

All retiree health benefit payments made by the Association will comply with all applicable federal laws, including Code section 401(h). To the extent there may be a conflict between these regulations and Code section 401(h) or the Treasury Regulations issued thereunder, the Code and Treasury Regulations shall govern.

##### B. Compliance with Provisions of the Code

1. The Association must specify the health benefits which will be available and must set out the amount that will be paid for those benefits.
2. Health benefits must be subordinate to the retirement benefits, when added to any life insurance benefits. Contributions shall be limited to the extent necessary to ensure that the retiree health benefits are subordinate to the retirement benefits provided by the system as required by Code section 401(h).
3. A separate account must be maintained for contributions to fund the health benefits.
4. Amounts credited to the 401(h) account may be invested with other Association funds set aside for retirement purposes, without identification of which investments are allocable to each account. However, earnings on each account shall be allocated to each in a reasonable manner.

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

5. Amounts contributed for health benefits must be reasonable and ascertainable. The County and any applicable participating employer will, at the time it makes a contribution to the Association, designate in writing to the Association that portion of the contribution allocable to the 401(h) account to be used solely for health benefits.
6. No part of the health benefits account may be used for or diverted to any purpose other than providing health benefits and paying necessary or appropriate expenses for the administration of the health benefits account.
7. No retiree health benefits provided under the 401(h) account will discriminate in favor of highly compensated employees.
8. Any amounts remaining in the health benefits account after satisfaction of all health benefits liabilities for all Members, Spouses and dependents must be returned to the employer. For purposes of this Regulation, consistent with Federal tax rules, the term "Spouse" means the person to whom a Member is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction). In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state.
9. If any Member's interest in the health benefits account is forfeited prior to plan termination, an amount equal to the forfeiture must reduce employer contributions to fund the account.
10. Separate accounts are not required for key employees because no member of the Association is a key employee under the definitions of the Code.

### **C. Compliance with the CERL**

1. In accordance with section 31592.4 of the CERL, amounts may be credited from the excess earnings of the Association that are available at the end of the fiscal year to a county advance reserves account which is used to pay annuity benefits (but not to pay health benefits), and such amounts will be treated as contributions by the employer to the Association. Amounts shall be credited to the county advance reserves from the Association excess earnings only to the extent that in the immediately succeeding fiscal year the employer transfers equal dollar amounts to the 401(h) account. In this way, both the requirements of the Code and the CERL will be met so retirees can receive tax-free health benefits.
2. To the extent required by the CERL, the 401(h) account shall be deemed to be a county advance reserves account.

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## **SECTION III. DEFINITION OF COUNTY ADVANCE RESERVE ACCOUNT**

“County advance reserve” means the account which records contributions to the Association made by the County and additions to and subtractions from that account. For purposes of this regulation, county advance reserve includes a similar reserve, if any, held for any participating employer that contributes to the Association. A county advance reserve account records a portion of all of the assets held by the Association solely to provide for retirement benefits (including disability, death and other ancillary benefits) of all Members and to provide for reasonable administrative expenses, along with other accounts that record assets used solely for these purposes including but not limited to Member contribution accounts and other reserve accounts. A transfer between any of these accounts is a transfer for recording purposes only and is not a transfer between accounts that are used for retirement benefits and for any other purpose.

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**REGULATIONS FOR IRC CODE § 415**

**ANNUAL LIMITS**

# ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## REGULATIONS FOR IRC SECTION 415(b)

### LIMITS ON ANNUAL BENEFITS

#### SECTION I. PURPOSE AND SCOPE

In accordance with section 31525 and section 31899 et. seq. of the California Government Code, these regulations with respect to the limits on benefits under section 415(b) of the Internal Revenue Code (the "Code") were originally adopted effective January 1, 2016 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal tax law under Code section 415(b), the regulations as set forth herein are amended effective as of March 19, 2026. To the extent there is a conflict between these regulations and the Code, the Code governs.

The Association may establish reasonable procedures for complying with the limits on benefits under section 415(b) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes.

Capitalized terms used in this Regulation are defined in Section VII. Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### SECTION II. ANNUAL BENEFIT LIMIT

##### A. Annual Benefit Limit, In General

###### 1. Annual Limit

Unless the alternative limit described in subsection E of this Section applies, the Annual Benefit payable to a Member under the Association at any time shall not exceed \$280,000 (for 2025) or such other dollar limit specified under section 415(b)(1)(A) of the Code, automatically adjusted under §415(d) of the Code, effective January 1 of each year, as provided by the Internal Revenue Service.

###### 2. Maximum Payment

If the benefit the Member would otherwise be paid in a Limitation Year would be in excess of the limit in A.1, the benefit shall be limited to a benefit that does not exceed the limit.

###### 3. COLA Adjustment

In the case of a Member who has had a severance from employment with the Employer, the Annual Benefit Limit applicable to the Member in any Limitation Year beginning after the date of severance shall be automatically adjusted under section 415(d) of the Code.

###### 4. Multiple Annuity Starting Dates

- a. For a Member who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall

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satisfy the limitations of these regulations as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates.

- b. For this purpose, the determination of whether a new starting date has occurred shall be made in accordance with section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Treasury regulations.

### 5. Actuarial Adjustment For Forms Of Benefit

Except as provided in paragraph 6 of this Section II.A, if the Member's benefit is payable in a form other than a Straight Life Annuity, then solely for purposes of applying the limits of Code section 415 and of this regulation, the actuarially equivalent Straight Life Annuity shall be determined in accordance with paragraph a or b below, whichever is applicable.

#### a. Annuities

If the Member's benefit is payable in the form of a non-decreasing life annuity or other form of benefit described in Treasury regulation section 1.417(e)-1(d)(6) (e.g., other than a lump sum, installments, a decreasing annuity or a term certain), then the actuarially equivalent Straight Life Annuity is equal to the greater of:

- i. The Straight Life Annuity (if any) payable to the Member under the Association commencing at the same annuity starting date as the form of benefit payable to the Member, or
- ii. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using:
  - A. The Applicable Mortality Table; and
  - B. A 5% interest assumption.

#### b. Lump sums, installments, etc.

If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit is equal to the greatest of:

- i. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate

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and the mortality table specified in the Plan for adjusting benefits in the same form;

- ii. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or
- iii. The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.

## 6. No Actuarial Adjustment (Or Limitation) Required For Certain Benefits

In determining the Annual Benefit, no actuarial adjustment to the benefit shall be made for the following benefits or benefit forms:

### a. Qualified joint and survivor annuity

Survivor benefits payable to a surviving Spouse under a joint and survivor annuity that would qualify as a qualified joint and survivor annuity defined in section 417(b) of the Code. If benefits are paid partly in the form of a qualified joint and survivor annuity and partly in some other form (such as a single sum distribution), the rule of this paragraph applies only to the survivor annuity payments under the portion of the benefit that is paid in the form of a qualified joint and survivor annuity.

### b. Benefits that are not "retirement benefits"

Benefits that are not directly related to retirement benefits (such as pre-retirement qualified disability benefits, preretirement incidental death benefits, and postretirement medical benefits). Additionally, these benefits shall not be subject to the Annual Benefit Limit.

### c. Certain automatic benefit increases

Benefits that meet the following requirements: (i) the Association provides for automatic periodic increases such as a form of benefit that automatically increases the benefit paid according to a specified percentage or objective index (but not a benefit that is increased on an ad hoc basis or a basis that is separately determined by action of the Association's Board of Retirement or the County's Board of Supervisors) and (ii) the form of benefit complies with Code section 415(b) without regard to the automatic benefit increase.

In no event shall the amount payable to the Member under the form of benefit in any Limitation Year be greater than the Annual Benefit Limit applicable at the

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Annuity Starting Date increased by the amounts provided in Code section 415(d). Also if the form of benefit without regard to the automatic benefit increase is not a Straight Life Annuity, then the Annual Benefit at the Annuity Starting Date is determined by converting the form of benefit to an actuarially equivalent Straight Life Annuity, as provided in Section II.A.5 of this regulation.

### 7. Rules for Determining Annual Benefit

#### a. Social Security Supplements, Etc.

The determination of the Annual Benefit shall take into account social security supplements described in § 411(a)(9) of the Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the Treasury regulations.

#### b. Member Contributions

The determination of the Annual Benefit shall disregard benefits attributable to Member contributions or rollover contributions. Benefits attributable to Member contributions do not include any benefits that are made on a pre-tax basis such as pickups under Code section 414(h)(2) or such as Member contributions that are actually paid by the Member's employer.

#### c. Rollovers

The amount of any benefits attributable to Member contributions and to rollover contributions shall be determined in accordance with Code section 415.

#### d. Voluntary Contributions

Member contributions that are defined as "voluntary" contributions under Code section 415 (such as certain contribution under California Government Code section 31627) are not subject to the limits of this regulation but are subject to the limits of Code section 415(c) concerning defined contribution plans.

### B. **Reduction for Less Than 10 Years of Participation**

#### 1. Reduction

If the Member has less than 10 Years of Participation in the Association, the Annual Benefit Limit shall be multiplied by a fraction -- (i) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the Association, and (ii) the denominator of which is 10.

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## 2. Counting Years of Participation

The Member is credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (i) the Member is credited with at least the number of hours of service or period of service for benefit accrual purposes, required under the terms of the Association in order to accrue a benefit for the accrual computation period, and (ii) the Member is included as a Member under the eligibility provisions of the Association for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Member shall equal the portion of a year of benefit accrual service credited to the Member for such accrual computation period. A Member who is permanently and totally disabled within the meaning of section 415(c)(3)(C)(i) of the Code for an accrual computation period shall receive a Year of Participation with respect to that period. In no event shall more than one Year of Participation be credited for any 12-month period. For example, if under the Association, a Member receives 1/10 of a year of benefit accrual service for an accrual computation period for each 200 hours of service, and the Member is credited with 1,000 hours of service for the period, the Member is credited with 1/2 year of participation for purposes of this subsection.

## 3. Disability and Death Benefits

The reduction described in paragraph 1 of this subsection shall not apply to disability benefits or death benefits as provided in the Code.

### **C. Reduction for Commencement Before Age 62 For Certain Members**

#### 1. No Reduction For Certain Safety Members

The adjustment described in this subsection shall not apply if the Member's benefit is based on at least 15 years as a full-time employee of any police or fire department of an Employer that maintains the Association or as a member of the armed forces of the United States. Such police or fire department must be organized to provide police protection, firefighting services or emergency medical services for any area within the jurisdiction of such Employer.

#### 2. Reduction For Benefits Commencing Before Age 62

If the Member's benefits commence before the Member attains age 62, the Annual Benefit Limit is equal to the lesser of:

- a. The Annual Benefit Limit reduced in accordance with Code section 415(b) to its actuarial equivalent using:
  - i. The Applicable Mortality Table; and
  - ii. A 5% interest rate; or
- b. The Annual Benefit Limit multiplied by the ratio of the immediately commencing Straight Life Annuity under the Association at the

## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Member's Annuity Starting Date to the annual amount of the Straight Life Annuity under the Association commencing at age 62, both determined without applying the limitations of this regulation.

### 3. Probability of Death

No adjustment will be made to the annual benefit limit to reflect the probability of death between the Annuity Starting Date and age 62 unless the Member's benefit is forfeited at death before the Annuity Starting Date.

### 4. Death and Disability

The adjustment described in paragraph 1 of this subsection shall not apply to disability benefits or death benefits.

## D. **Increase for Commencement After Age 65**

### 1. Increase For Benefits Commencing After 65

If the Member's benefits commence after the Member attains age 65, the Annual Benefit Limit is equal to the lesser of:

- a. The Annual Benefit Limit increased in accordance with Code section 415(b) to its actuarial equivalent using:
  - i. The Applicable Mortality Table; and
  - ii. A 5% interest rate; or
- b. The Annual Benefit Limit multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the Association at the Member's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the Association at age 65, both determined without applying the limitations of this regulation. For this purpose, the adjusted immediately commencing Straight Life Annuity under the Association at the Member's Annuity Starting Date is the annual amount of such annuity payable to the Member, computed disregarding the Member's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the Association at age 65 is the annual amount of such annuity that would be payable under the Association to a hypothetical Member who is age 65 and has the same accrued benefit as the Member.

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### 2. Probability of Death

No adjustment will be made to the Annual Benefit Limit to reflect the probability of death between age 65 and the Annuity Starting Date unless the Member's benefit is forfeited at death before the Annuity Starting Date.

### E. **Minimum Benefit Permitted**

The benefit otherwise accrued or payable to a Member under the Association is treated as not exceeding the Annual Benefit Limit if:

#### 1. Minimum Benefit Limit Allowed

The sum of the retirement benefits payable under any form of benefit with respect to the Member for the Limitation Year or for any prior Limitation Year under the Association and all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Member's Employer does not exceed \$10,000 multiplied by a fraction – (i) the numerator of which is the Member's number of years (or part thereof, but not less than one year) of service (not to exceed 10) with the Member's Employer or an Affiliated Employer, and (ii) the denominator of which is 10; and

#### 2. Condition

The Member has never participated in any qualified defined contribution plan maintained by the Member's Employer or an Affiliated Employer.

## SECTION III. PARTICIPATION IN MULTIPLE DEFINED BENEFIT PLANS

### A. **Application of Limit to Aggregate Benefits**

If the Member is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Member's Employer, the sum of the participant's Annual Benefits from all such plans may not exceed the Annual Benefit Limit.

### B. **Multiple Plan Benefit Limit Coordination**

Where the Member's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Annual Benefit Limit applicable at that age, the benefits accrued under all such other plans shall be reduced first in order to avoid exceeding the limit and shall be reduced under the Association only to the extent that the reduction under such other plans is insufficient to avoid exceeding the limit.

## SECTION IV. MULTIPLE EMPLOYER PLAN

Employer-provided benefits for the Member attributable to all of the Employers participating in the Association are taken into account for purposes of applying the Annual Benefit Limit.

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## SECTION V. GRANDFATHER RULES

### A. Annual Benefit Limit Equals Accrued Benefit

Notwithstanding anything herein to the contrary, the Annual Benefit Limit with respect to a Qualified Member shall not be less than the accrued benefit of the Qualified Member under the Association determined without regard to any amendment made after October 14, 1987.

### B. Qualified Participant

For purposes of this Section, the term "Qualified Member" means a Member who first became a Member in the Association before January 1, 1990.

### C. Election

By the enactment of section 31899 et. seq. of the California Government Code, the "grandfather" election under Internal Revenue Code section 415(b)(10) was made for the Association and all retirement systems maintained under the CERL.

## SECTION VI. PURCHASE OF PERMISSIVE SERVICE CREDIT

### A. General Rule

To the extent a Member is not prohibited by the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), if a Member makes one or more contributions to the Association to purchase Permissive Service Credit under the Association, then the requirements of this regulation will be treated as met only if:

1. The requirements of this regulation are met, determined by treating the accrued benefit derived from all such contributions as an Annual Benefit for purposes of this regulation; or
2. The requirements of the Association's regulation governing the limits on annual additions applicable to defined contribution plans are met by treating all such contributions as annual additions.

### B. Permissive Service Credit

#### 1. Permissive Service Credit Defined

For purposes of this Section, "Permissive Service Credit" means credit:

- a. recognized by the Association for purposes of calculating a Member's benefit under the Association;
- b. which such Member has not received under the Association; and
- c. which the Member may receive only by making a voluntary additional contribution in an amount determined under the Association, which does not exceed the amount necessary to fund the benefit attributable to the service credit purchased.

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Permissive Service Credit also includes service credit for periods for which there is no performance of service and, notwithstanding subparagraph b of this paragraph, may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the Association, but only to the extent not prohibited by PEPRA.

### 2. Limitation on Nonqualified Service Credit

The Association will fail to satisfy the requirements of this regulation if

- a. More than 5 years of Nonqualified Service Credit is taken into account for purposes of this Section; or
- b. Any Nonqualified Service Credit is taken into account under this Section before the Member has at least 5 Years of Participation under the Association.

### 3. Nonqualified Service Credit

For purposes of paragraph 2 of this subsection, the term "Nonqualified Service Credit" means permissive service credit other than that allowed with respect to:

- a. Service (including parental, medical, sabbatical, and similar leave) as an employee of the government of the United States, a State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of repayment described in subsection C of this Section);
- b. Service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (a) of this paragraph) of an educational organization described in Code section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed;
- c. Service as an employee of an association of employees who are described in subparagraph (a) of this paragraph; or
- d. military service (other than qualified military service under Code section 414(u)) recognized by the Association.

In the case of service described in subparagraphs a, b or c of this paragraph, such service will be nonqualified service if recognition of such service would cause a Member to receive a retirement benefit for the same period of service under more than one plan.

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Even if any proposed service credit purchase meets the above requirements, to the extent such proposed service credit purchase is prohibited under the terms of PEPPRA, the Association will not process such service credit purchase.

### 4. Trustee-to-Trustee Transfers

In the case of a trustee-to-trustee transfer to the Association to which Code section 403(b)(13)(A) or 457(e)(17)(A) applies, (without regard to whether the transfer is made from a plan that is maintained by the same Employer):

- a. the limitations of paragraph 2 of this subsection shall not apply in determining whether the transfer is for the purchase of Permissive Service Credit; and
- b. the distribution rules applicable under the Code to the Association shall apply to such amounts and any benefits attributable to such amounts.

### C. **Repayment of Cashouts**

In the case of any repayment of contributions (including interest) to the Association with respect to an amount previously refunded upon a forfeiture of service credit under the Association or under another governmental plan maintained by a state or local government employer within the State of California, any such repayment shall not be taken into account for purposes of this regulation.

## SECTION VII. DEFINITIONS

### A. **Annual Benefit**

"Annual Benefit" means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided in Section II.A.5, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted (solely for purposes of applying the limits of Code section 415 and of this regulation) pursuant to Section II.A.7 to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month.

### B. **Annual Benefit Limit**

"Annual Benefit Limit" means the limit described in Section II.A.1 of this regulation.

### C. **Annuity**

"Annuity" for purposes of this regulation does **not** mean "annuity" as defined in the CERL, but instead means a retirement benefit that is payable by the Association, as provided in section 415 of the Code.

### D. **Annuity Starting Date**

"Annuity Starting Date" means the first day of the first period for which a retirement benefit is payable as an annuity or, in the case of a retirement benefit not payable in the

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form of an annuity, the first day on which all events have occurred which entitle the Member to payment under the Association.

### **E. Applicable Interest Rate**

"Applicable Interest Rate" means the "applicable interest rate" defined in section 417(e)(3)(C) of the Code and shall be such rate of interest determined as of the first month preceding the stability period, which shall be the month containing the Annuity Starting Date for the distribution and for which the Applicable Interest Rate shall remain constant.

### **F. Applicable Mortality Table**

"Applicable Mortality Table" means the "applicable mortality table" defined in section 417(e)(3)(B) of the Code.

### **G. Employer**

"Employer" means the participating County or other governmental employer that participates in the Association and employs the Member. The term "Employer" also includes any Affiliated Employer. Solely to the extent provided in the Code with respect to public agencies, the term "Affiliated Employer" means all members of a controlled group of an Employer.

### **H. Limitation Year**

"Limitation Year" means the calendar year.

### **I. Spouse**

Consistent with Federal tax rules, the term "Spouse" means the person to whom a Member is lawfully married under California law, including marriages recognized under California Family Code section 308 that were entered into in another jurisdiction (another state, the District of Columbia, a United States territory or a foreign jurisdiction). In accordance with Federal tax rules, the term "Spouse" does not include individuals who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under the law of another jurisdiction that is not denominated as a marriage under the laws of that state.

### **J. Straight Life Annuity**

"Straight Life Annuity" means an Annuity payable in equal installments for the life of the member and terminating on the Member's death.

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## REGULATIONS FOR IRC SECTION 415(c)

### DEFINED CONTRIBUTION LIMITS

#### SECTION I. PURPOSE AND SCOPE

In accordance with section 31525 and section 31899 et. seq. of the California Government Code, these regulations with respect to the limits on annual additions under section 415(c) of the Internal Revenue Code (the "Code") were originally adopted effective November 16, 2015 to reaffirm and clarify the existing practices of the Alameda County Employees' Retirement Association (the "Association"). To comply with changes in federal tax law under Code section 415(c), the regulations as set forth herein are amended effective as of March 19, 2026. To the extent there is a conflict between these regulations and the Code, the Code governs.

The Association may establish reasonable procedures for complying with the limits on annual additions under section 415(c) of the Code that it deems necessary or advisable for complying with applicable tax laws or for administrative purposes.

Capitalized terms used in this Regulation are defined in Section III. Terms defined in the County Employees' Retirement Law of 1937 (the "CERL") apply here unless otherwise stated.

#### SECTION II. ANNUAL ADDITIONS LIMITATION

##### A. Annual Additions Limit, In General

Notwithstanding anything to the contrary contained in the Association, the total Annual Additions allocated to a Member's Account under the Association, when added to the Annual Additions allocated to the Member's accounts under all other Aggregated Plans maintained by the Employer or an Affiliate for any Limitation Year, shall not exceed the Maximum Permissible Amount; provided, however, that the limit described in III.G.2 shall not apply to an individual medical benefit account (as defined in section 415(l) of the Code).

#### SECTION III. DEFINITIONS

Solely for purposes of this regulation, the following definitions shall apply:

##### A. Account

"Account" means the separate Member account provided under the Association for benefits that are separate and apart from the retirement benefits (annuity and pension) otherwise provided under the CERL.

##### B. Affiliate

Solely to the extent provided in the Code with respect to public agencies, the term "Affiliate" means all members of a controlled group of an Employer.

##### C. Aggregated Plan

"Aggregated Plan" means any defined contribution plan which is aggregated with the Association pursuant to Section III of this regulation.

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### D. Annual Additions

"Annual Additions" means the sum of the following amounts credited to a Member's Accounts under the Association and any Aggregated Plans for the Limitation Year:

1. Employer contributions allocated to the Member's Account that is separate and apart from any pension or annuity benefits provided under the CERL;
2. Employee contributions (after-tax), including mandatory contributions (as defined in section 411(c)(2)(C) of the Code and Treasury regulations issued thereunder), as well as voluntary employee contributions used to purchase permissive service credit (as defined in Code section 415(n)(3)), to the extent such service credit purchase is not prohibited under PEPRA and those amounts are treated as Annual Additions in the year contributed pursuant to Code section 415(n)(1).
3. Forfeitures;
4. Amounts allocated to the Member's individual medical account (within the meaning of section 415(l)(2) of the Code), which is part of a pension or annuity plan maintained by the Employer or Affiliate, except that such amounts are not included in Annual Additions for purposes of applying the 100% of compensation limit.

The term "Annual Additions" excludes:

1. Repayments of cash-outs as described in Code section 415(k)(3) (for example, to purchase restoration of an accrued benefit that was lost when employee contributions were previously cashed out) for the limitation year in which the restoration occurs;
2. Catch-up contributions made in accordance with Code section 414(v);
3. Restorative payments described in Treasury regulations section 1.415(c)-1(b)(2)(ii)(C);
4. Excess deferrals that are distributed in accordance with Treasury regulations section 1.402(g)-1(e)(2) or (3);
5. Rollover contributions (as described in sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d) and 457(e)(16) of the Code);
6. Loan repayments;
7. Employee contributions to a qualified cost-of-living arrangement described in Code section 415(k)(2)(B);
8. Employee contributions picked up by the Employer under Code section 414(h)(2);

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9. Make-up contributions attributable to a period of qualified military service, as defined in Code section 414(u), with respect to the year in which the contribution is made (but not with respect to the year to which the contribution relates); and
10. Employee contributions to purchase permissive service credit (as defined in Code section 415(n)(3)) to the extent such service credit purchase is allowed under PEPRA and the accrued benefit derived from all such contributions is treated as an annual benefit subject to the limits of Code section 415(b).

### **E. Employer**

"Employer" means the participating County or other governmental employer that participates in the Association and employs the Member.

### **F. Limitation Year**

"Limitation Year" means the calendar year.

### **G. Maximum Permissible Amount**

"Maximum Permissible Amount" means the lesser of:

1. \$70,000 (for 2025), as adjusted for increases in the cost-of-living under section 415(d) of the Code; or
2. 100 percent of the Member's Total Compensation for the Limitation Year.

### **H. Severance From Employment**

"Severance From Employment" means the Member ceases to be an employee of the Employer. A Member does not have a Severance From Employment if, in connection with a change of employment, the Member's new employer maintains the Association with respect to the Member.

### **I. Total Compensation**

"Total Compensation" means all items of remuneration described in paragraph (1) and excludes all items of remuneration described in paragraph (2), below.

#### 1. Items Included

Total Compensation includes all of the following items of remuneration for services:

- a. A Member's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer and any Affiliate to the extent that the amounts are includible in gross income (or to the extent that amounts would have been includible in gross

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income but for an election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)). These amounts include, but are not limited to, bonuses, fringe benefits, and reimbursements, or other expense allowances under a non-accountable plan, as described in Treasury regulations section 1.62-2(c);

- b. Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includible in the gross income of the Member;
- c. Amounts paid or reimbursed by the Employer or an Affiliate for moving expenses incurred by a Member, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Member under Code section 217;
- d. The amount includible in the gross income of a Member upon making the election described in Code section 83(b);
- e. Amounts that are includible in the gross income of a Member under the rules of Code section 409A or Code section 457(f)(1)(A), or because the amounts are constructively received by the Member;
- f. An amount that is excludable under Code section 106 that is not available to a Member in cash in lieu of group health coverage because the Member is unable to certify that he or she has other health coverage; provided, however, that the Employer does not request or collect information regarding the Member's other health coverage as part of the enrollment process for the health plan; and
- g. Differential wage payments as defined in Code section 3401(h)(2).

### 2. Items Excluded

The following items are excluded from Total Compensation:

- a. Employer contributions (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a deferred compensation plan (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent such contributions are not includable in the Member's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a deferred compensation plan (whether or not qualified) other than amounts received during the year by a Member pursuant to a nonqualified unfunded

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deferred compensation plan to the extent includible in gross income;

- b. Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are excludible from the gross income of the Member, and are not salary reduction amounts that are described in Code section 125);
- c. Other items of remuneration that are similar to any of the items listed in a and b, above.

### 3. Timing

- a. In order to be taken into account for a Limitation Year, Total Compensation must be paid or made available (or, if earlier, includible in the gross income of the Member) during the Limitation Year. For this purpose, compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Code section 125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b)).
- b. In order to be taken into account for a Limitation Year, Total Compensation must be paid or treated as paid to the Member prior to the Member's Severance From Employment with the Employer; provided, however, that Total Compensation includes amounts paid to the Member by the later of 2½ months after Severance From Employment or the end of the Limitation Year if the amounts are regular compensation for services during the Member's regular working hours, compensation for services outside the Member's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation that absent a Severance From Employment would have been paid to the Member while the Member continued in employment with the Employer.
- c. Total Compensation does not include amounts paid after Severance From Employment that are severance pay, unfunded nonqualified deferred compensation, or any other payment that is not described in the preceding paragraph, even if paid within 2½ months, except for:
  - i. Payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent that these payments do not exceed the amounts that the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service; and

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- ii. Payments to a Member who is permanently and totally disabled; provided, however that salary continuation applies to all Members who are permanently and totally disabled for a fixed or determinable period. For this purpose, a Member is permanently and totally disabled only if the Member is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.

#### 4. Limit

A Member's Total Compensation shall not include compensation in excess of the limitation of Code section 401(a)(17) that is in effect for the calendar year in which such Limitation Year begins.

### **SECTION IV. AGGREGATION WITH OTHER DEFINED CONTRIBUTION PLANS**

All defined contribution plans (as defined in section 1.415(c)-1(a)(2) of the Treasury regulations and whether or not terminated) maintained by the Employer or an Affiliate shall be aggregated with the Association, and all plans so aggregated shall be considered as one plan in applying the limitations of this regulation.

### **SECTION V. COORDINATION WITH OTHER DEFINED CONTRIBUTION PLANS**

In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to the Association shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described above.

### **SECTION VI. CORRECTION**

Any excess Annual Additions shall be corrected using the methods specified in guidance promulgated by the Secretary of the Treasury describing the procedures for correcting excess Annual Additions under the Employee Plans Compliance Resolution System ("EPCRS") or its successor.



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MEMORANDUM TO THE OPERATIONS COMMITTEE

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DATE: March 4, 2026  
TO: Members of the Operations Committee  
FROM: Lisa Johnson, Assistant Chief Executive Officer   
SUBJECT: Operating Expenses & Budget Summary for January 31, 2026

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ACERA's operating expenses are \$22K under budget for the period ending January 31, 2026. The budget overage and surpluses worth noting are as follows:

**Budget Overage of \$7K**

***Staffing Expense is \$7K over budget.***

The overages are attributed to the temporary staffing of \$18K, and 5% staff vacancy adjustment of \$87K; offset by surpluses in salaries of (\$1K) and fringe benefits of (\$97K).

**Budget Surpluses of \$29K**

***Staff Development is \$1K under budget.***

The surplus in staff development is due to the timing of training reimbursement requests.

***Professional Fees are \$10K under budget.***

The surplus is attributed to invoice timing differences from the 2025 fiscal year.

***Office Expense is \$4K under budget.***

The surplus in office expense is primarily due to lower-than-expected spending on office supplies and building operating expenses.

***Member Services Expense is \$6K under budget.***

The member services expense is under budget due to the timing of vendor invoicing.

***Systems Expense is \$4K under budget.***

The surplus in systems expense is primarily due to the timing of vendor invoicing.

***Depreciation Expense is \$2K under budget.***

Depreciation expense is under budget due to lower-than-anticipated post PGv3 implementation costs.

***Board of Retirement is \$2K under budget.***

The surplus is mainly due to the timing of the training reimbursement requests.

**Staffing Detail**

Vacant positions as of January 31, 2026:

| <b>Department</b> | <b>Position</b>         | <b>Qty</b> | <b>Comments</b>                          |
|-------------------|-------------------------|------------|--|
| Benefits          | Management Analyst      | 1          | Vacant – currently budgeted for the year |
| Investments       | Investment Analyst      | 1          | Vacant - currently budgeted for the year |
| Fiscal Services   | Fiscal Services Officer | 1          | Vacant - currently budgeted for the year |
|                   | <b>Total Positions</b>  | <b>3</b>   |  |

**Attachments:**

- Total Operating Expenses Summary
- Professional Fees – Year-to-Date – Actual vs. Budget
- Actual Operating Expenses comparison with last year



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TOTAL OPERATING EXPENSES SUMMARY

| YEAR TO DATE - ACTUAL VS. BUDGET      |                     |                     |                     |                      |                      |
|---------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| <u>January 31, 2026</u>               |                     |                     |                     |                      |                      |
|                                       | <u>Actual</u>       | <u>Budget</u>       | <u>YTD</u>          | <u>2026</u>          | <u>% Actual to</u>   |
|                                       | <u>Year-To-Date</u> | <u>Year-To-Date</u> | <u>Variance</u>     | <u>Annual</u>        | <u>Annual Budget</u> |
|                                       |                     |                     | <u>(Under)/Over</u> | <u>Budget</u>        |                      |
| <b>Staffing</b>                       | \$ 1,656,503        | \$ 1,649,560        | \$ 6,943            | \$ 20,313,000        | 8.2%                 |
| <b>Staff Development</b>              | 17,037              | 18,200              | (1,163)             | 290,000              | 5.9%                 |
| <b>Professional Fees (Next Page)</b>  | 85,346              | 95,160              | (9,814)             | 1,255,000            | 6.8%                 |
| <b>Office Expense</b>                 | 36,960              | 41,130              | (4,170)             | 497,000              | 7.4%                 |
| <b>Insurance</b>                      | 53,231              | 53,420              | (189)               | 658,000              | 8.1%                 |
| <b>Member Services</b>                | 58,149              | 64,390              | (6,241)             | 720,000              | 8.1%                 |
| <b>Systems</b>                        | 106,496             | 110,970             | (4,474)             | 1,379,000            | 7.7%                 |
| <b>Depreciation</b>                   | 167,706             | 169,390             | (1,684)             | 2,079,000            | 8.1%                 |
| <b>Board of Retirement</b>            | 39,430              | 41,020              | (1,590)             | 658,000              | 6.0%                 |
| <b>Uncollectable Benefit Payments</b> | -                   | -                   | -                   | 25,000               | 0.0%                 |
| <b>Total Operating Expense</b>        | <b>\$ 2,220,858</b> | <b>\$ 2,243,240</b> | <b>\$ (22,382)</b>  | <b>\$ 27,874,000</b> | <b>8.0%</b>          |



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

January 31, 2026

|  | <u>Actual</u><br><u>Year-To-Date</u> | <u>Budget</u><br><u>Year-To-Date</u> | <u>YTD Variance</u><br><u>(Under)/Over</u> | <u>2026</u><br><u>Annual</u><br><u>Budget</u> | <u>% Actual to</u><br><u>Annual Budget</u> |
|--|--------------------------------------|--------------------------------------|--|---|--|
| <b>Professional Fees</b>                               |                                      |                                      |  |   |  |
| Consultant Fees - Operations and Projects <sup>1</sup> | \$ 40,564                            | \$ 40,830                            | \$ (266)                                   | \$ 458,000                                    | 8.9%                                       |
| Actuarial Fees <sup>2</sup>                            | 21,500                               | 21,500                               | -  | 550,000                                       | 3.9%                                       |
| External Audit <sup>3</sup>                            | 24,500                               | 24,500                               | -  | 147,000                                       | 16.7%                                      |
| Legal Fees <sup>4</sup>                                | (1,218)                              | 8,330                                | (9,548)                                    | 100,000                                       | -1.2%                                      |
| <b>Total Professional Fees</b>                         | <b>\$ 85,346</b>                     | <b>\$ 95,160</b>                     | <b>\$ (9,814)</b>                          | <b>\$ 1,255,000</b>                           | <b>6.8%</b>                                |

|  | <u>Actual</u><br><u>Year-To-Date</u> | <u>Budget</u><br><u>Year-To-Date</u> | <u>YTD Variance</u><br><u>(Under)/Over</u> | <u>2026 Annual</u><br><u>Budget</u> | <u>% Actual to</u><br><u>Annual Budget</u> |
|--|--------------------------------------|--------------------------------------|--|-------------------------------------|--|
| <b><sup>1</sup> CONSULTANT FEES - OPERATIONS AND PROJECTS:</b> |                                      |                                      |  |                                     |  |
| Administration   |                                      |                                      |  |                                     |  |
| Strategic Planning   | 5,830                                | 5,830                                | -  | 35,000                              | 16.7%                                      |
| Total Administration   | 5,830                                | 5,830                                | -  | 35,000                              | 16.7%                                      |
| Benefits   |                                      |                                      |  |                                     |  |
| Alameda County HRS (Benefit Services)                          | 10,500                               | 10,500                               | -  | 126,000                             | 8.3%                                       |
| Segal (Benefit Consultant/Retiree Open Enrollment)             | 11,750                               | 12,000                               | (250)                                      | 144,000                             | 8.2%                                       |
| Total Benefits   | 22,250                               | 22,500                               | (250)                                      | 270,000                             | 8.2%                                       |
| Human Resources  |                                      |                                      |  |                                     |  |
| Lakeside Group (County Personnel)                              | 12,484                               | 12,500                               | (16)                                       | 153,000                             | 8.2%                                       |
| Total Human Resources  | 12,484                               | 12,500                               | (16)                                       | 153,000                             | 8.2%                                       |
| <b>Total Consultant Fees - Operations</b>                      | <b>40,564</b>                        | <b>40,830</b>                        | <b>(266)</b>                               | <b>458,000</b>                      | <b>8.9%</b>                                |

|  |               |               |          |                |             |
|--|---------------|---------------|----------|----------------|-------------|
| <b><sup>2</sup> ACTUARIAL FEES</b>             |               |               |          |                |             |
| Actuarial Valuation                            | -             | -             | -        | 92,500         | 0.0%        |
| GASB 67 & 68 Valuation                         | -             | -             | -        | 56,500         | 0.0%        |
| GASB 74 & 75 Actuarial                         | -             | -             | -        | 17,000         | 0.0%        |
| Actuarial Standard of Practice 51 Pension Risk | -             | -             | -        | 35,000         | 0.0%        |
| Supplemental Consulting                        | 21,500        | 21,500        | -        | 258,000        | 8.3%        |
| Triennial Experience Study                     | -             | -             | -        | 44,000         | 0.0%        |
| Supplemental Retiree Benefit Reserve valuation | -             | -             | -        | 47,000         | 0.0%        |
| <b>Total Actuarial Fees</b>                    | <b>21,500</b> | <b>21,500</b> | <b>-</b> | <b>550,000</b> | <b>3.9%</b> |

|                                    |               |               |          |                |              |
|------------------------------------|---------------|---------------|----------|----------------|--------------|
| <b><sup>3</sup> EXTERNAL AUDIT</b> |               |               |          |                |              |
| External audit                     | 20,500        | 20,500        | -        | 123,000        | 16.7%        |
| GASB 67 & 68 audit                 | 2,000         | 2,000         | -        | 12,000         | 16.7%        |
| GASB 74 & 75 audit                 | 2,000         | 2,000         | -        | 12,000         | 16.7%        |
| <b>Total External Audit Fees</b>   | <b>24,500</b> | <b>24,500</b> | <b>-</b> | <b>147,000</b> | <b>16.7%</b> |

|   |                |              |                |                |              |
|---|----------------|--------------|----------------|----------------|--------------|
| <b><sup>4</sup> LEGAL FEES</b>                          |                |              |                |                |              |
| Fiduciary & Litigation, Tax & Benefit Issues, and Misc. | (1,218)        | 8,330        | (9,548)        | 100,000        | -1.2%        |
| <b>Total Legal Fees</b>                                 | <b>(1,218)</b> | <b>8,330</b> | <b>(9,548)</b> | <b>100,000</b> | <b>-1.2%</b> |

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the One Month Ending 1/31/2026

|  | <u>For the Month of<br/>January 2026</u> | <u>For the Month of<br/>January 2025</u> | <u>Variance</u> | <u>Year-To-Date<br/>2026</u> | <u>Year-To-Date<br/>2025</u> | <u>Variance</u> |
|--|--|--|-----------------|------------------------------|------------------------------|-----------------|
| STAFFING                                     |  |  |                 |                              |                              |                 |
| Salaries                                     | 1,100,473                                | 1,103,161                                | (2,688)         | 1,100,473                    | 1,103,161                    | (2,688)         |
| Fringe Benefits                              | 516,301                                  | 529,492                                  | (13,191)        | 516,301                      | 529,492                      | (13,191)        |
| Temporary Staffing Cost                      | 39,729                                   | 36,405                                   | 3,324           | 39,729                       | 36,405                       | 3,324           |
| Staffing Total                               | <u>1,656,503</u>                         | <u>1,669,058</u>                         | <u>(12,555)</u> | <u>1,656,503</u>             | <u>1,669,058</u>             | <u>(12,555)</u> |
| STAFF DEVELOPMENT                            | 17,037                                   | 14,127                                   | 2,910           | 17,037                       | 14,127                       | 2,910           |
| PROFESSIONAL FEES                            |  |  |                 |                              |                              |                 |
| Actuarial Fees                               | 21,500                                   | 21,500                                   | 0               | 21,500                       | 21,500                       | 0               |
| Consultant Fees - Operations                 | 40,564                                   | 41,649                                   | (1,085)         | 40,564                       | 41,649                       | (1,085)         |
| Consultant Fees - Legal                      | (1,218)                                  | 320                                      | (1,538)         | (1,218)                      | 320                          | (1,538)         |
| External Audit                               | 24,500                                   | 24,000                                   | 500             | 24,500                       | 24,000                       | 500             |
| Professional Fees Total                      | <u>85,346</u>                            | <u>87,469</u>                            | <u>(2,123)</u>  | <u>85,346</u>                | <u>87,469</u>                | <u>(2,123)</u>  |
| OFFICE EXPENSE                               |  |  |                 |                              |                              |                 |
| Bank Charges & Misc. Admin                   | 7,088                                    | 6,529                                    | 559             | 7,088                        | 6,529                        | 559             |
| Building Expenses                            | 11,155                                   | 5,804                                    | 5,351           | 11,155                       | 5,804                        | 5,351           |
| Communications                               | 4,731                                    | 3,256                                    | 1,475           | 4,731                        | 3,256                        | 1,475           |
| Equipment Lease/Maintenance                  | 11,327                                   | 12,230                                   | (903)           | 11,327                       | 12,230                       | (903)           |
| Minor Equipment and Furniture                | 0  | 683                                      | (683)           | 0                            | 683                          | (683)           |
| Office Supplies/Maintenance                  | 1,303                                    | 5,665                                    | (4,362)         | 1,303                        | 5,665                        | (4,362)         |
| Printing & Postage                           | 1,356                                    | 2,543                                    | (1,187)         | 1,356                        | 2,543                        | (1,187)         |
| Office Expense Total                         | <u>36,960</u>                            | <u>36,710</u>                            | <u>250</u>      | <u>36,960</u>                | <u>36,710</u>                | <u>250</u>      |
| INSURANCE                                    | 53,231                                   | 53,430                                   | (199)           | 53,231                       | 53,430                       | (199)           |
| MEMBER SERVICES                              |  |  |                 |                              |                              |                 |
| Disability - Legal Arbitration & Transcripts | 14,008                                   | 13,777                                   | 231             | 14,008                       | 13,777                       | 231             |
| Disability Medical Expense                   | 6,000                                    | 4,000                                    | 2,000           | 6,000                        | 4,000                        | 2,000           |
| Disability Claims Management                 | 3,850                                    | 3,850                                    | 0               | 3,850                        | 3,850                        | 0               |
| Health Reimbursement Acct. (HRA)             | 7,664                                    | 8,436                                    | (772)           | 7,664                        | 8,436                        | (772)           |
| Member Training & Education                  | 2,753                                    | 714                                      | 2,039           | 2,753                        | 714                          | 2,039           |
| Printing & Postage - Members                 | 18,486                                   | 29,362                                   | (10,876)        | 18,486                       | 29,362                       | (10,876)        |
| Virtual Call Center                          | 5,388                                    | 5,061                                    | 327             | 5,388                        | 5,061                        | 327             |
| Member Services Total                        | <u>58,149</u>                            | <u>65,200</u>                            | <u>(7,051)</u>  | <u>58,149</u>                | <u>65,200</u>                | <u>(7,051)</u>  |

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the One Month Ending 1/31/2026

|  | <u><i>For the Month of<br/>January 2026</i></u> | <u><i>For the Month of<br/>January 2025</i></u> | <u>Variance</u>     | <u><i>Year-To-Date<br/>2026</i></u> | <u><i>Year-To-Date<br/>2025</i></u> | <u>Variance</u>     |
|--|---|---|---------------------|-------------------------------------|-------------------------------------|---------------------|
| SYSTEMS                                |   |   |                     |                                     |                                     |                     |
| Business Continuity Expense            | 22,540  | 19,125  | 3,415               | 22,540                              | 19,125                              | 3,415               |
| County Data Processing                 | 14,325  | 12,415  | 1,910               | 14,325                              | 12,415                              | 1,910               |
| Minor Computer Hardware                | 1,340   | 5,635   | (4,295)             | 1,340                               | 5,635                               | (4,295)             |
| Intangible right to use SBITA - GASB96 | 8,316   | 7,511   | 805                 | 8,316                               | 7,511                               | 805                 |
| Software Maintenance & Support         | 59,975  | 54,949  | 5,026               | 59,975                              | 54,949                              | 5,026               |
| Systems Total                          | <u>106,496</u>                                  | <u>99,635</u>                                   | <u>6,861</u>        | <u>106,496</u>                      | <u>99,635</u>                       | <u>6,861</u>        |
| DEPRECIATION                           |   |   |                     |                                     |                                     |                     |
| Depreciation Expense                   | 167,706   | 152,392   | 15,314              | 167,706                             | 152,392                             | 15,314              |
| BOARD OF RETIREMENT                    |   |   |                     |                                     |                                     |                     |
| Board Compensation                     | 900   | 1,100   | (200)               | 900                                 | 1,100                               | (200)               |
| Board Conferences & Training           | 2,428   | 2,365   | 63                  | 2,428                               | 2,365                               | 63                  |
| Board Employer Reimbursement           | 32,410  | 32,490  | (80)                | 32,410                              | 32,490                              | (80)                |
| Board Miscellaneous Expense            | 2,313   | 664   | 1,649               | 2,313                               | 664                                 | 1,649               |
| Board Software Maint. & Support        | 1,379   | 1,335   | 44                  | 1,379                               | 1,335                               | 44                  |
| Board of Retirement Total              | <u>39,430</u>                                   | <u>37,954</u>                                   | <u>1,476</u>        | <u>39,430</u>                       | <u>37,954</u>                       | <u>1,476</u>        |
| GRAND TOTALS                           | <u><u>2,220,858</u></u>                         | <u><u>2,215,975</u></u>                         | <u><u>4,883</u></u> | <u><u>2,220,858</u></u>             | <u><u>2,215,975</u></u>             | <u><u>4,883</u></u> |

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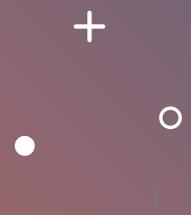
# ACERA's Strategic Business Goals

**Goal 1:** Improve Funded Status while maintaining an appropriate risk posture in the area of Investments

**Goal 2:** Manage Internal and External People transitions at all levels

**Goal 3:** Modernize Technology & Optimize Processes and Operations

**Goal 4:** Implement Cost-Effective Member Service Improvements and Expanded Communication

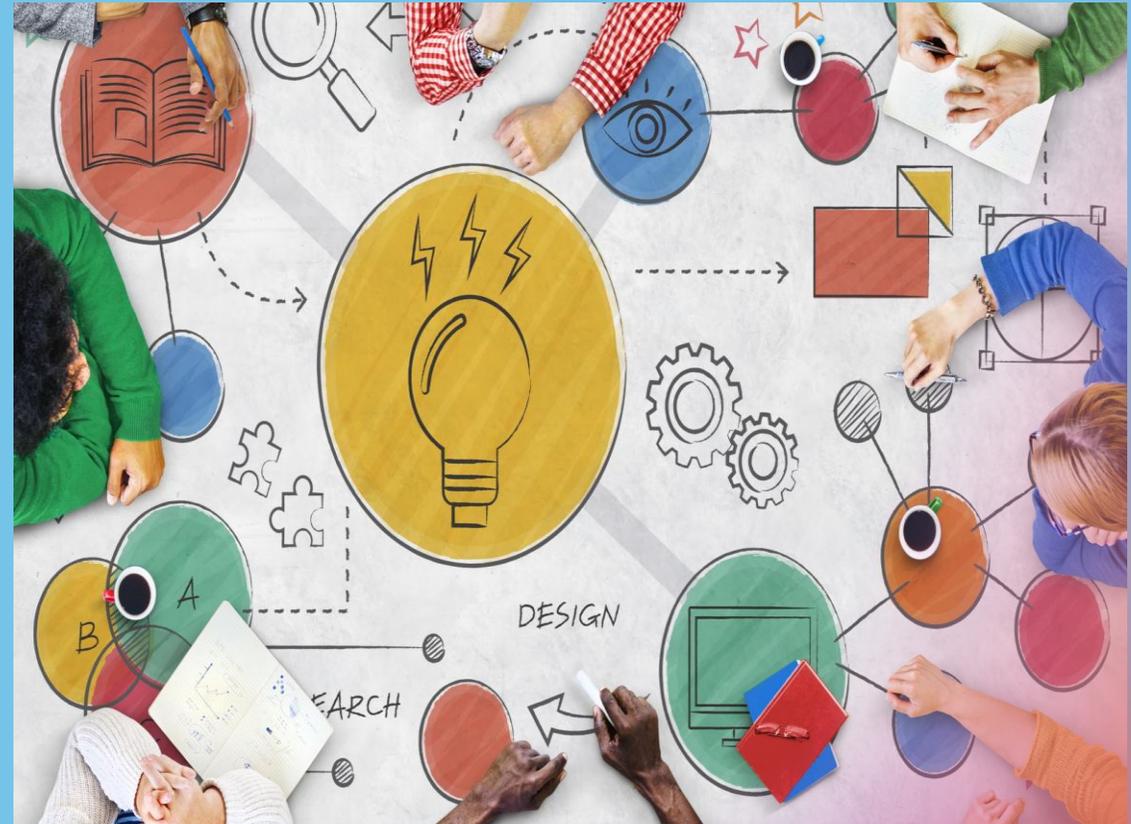


# 2026 Operational Efficiency Targets

*Modernize Technology*

*Optimize Processes*

*Provide Excellent Customer Service*



# Cost Effectiveness Measurement (CEM) Benchmarking

Provides Peer Intelligence and sharing with objective actionable benchmarking across pension fund activities such as:

- *Emerging Trends Pension Market*
- *Customer Journeys*
  - *Digital Services*
  - *Self Service*
- *Service to Employers*
- *Staffing Service Models*



# HR Department Workflow Optimization

**The initiative centers on assessment and selection of a Cloud-Based HR tool optimizing scale, storage and availability of information**

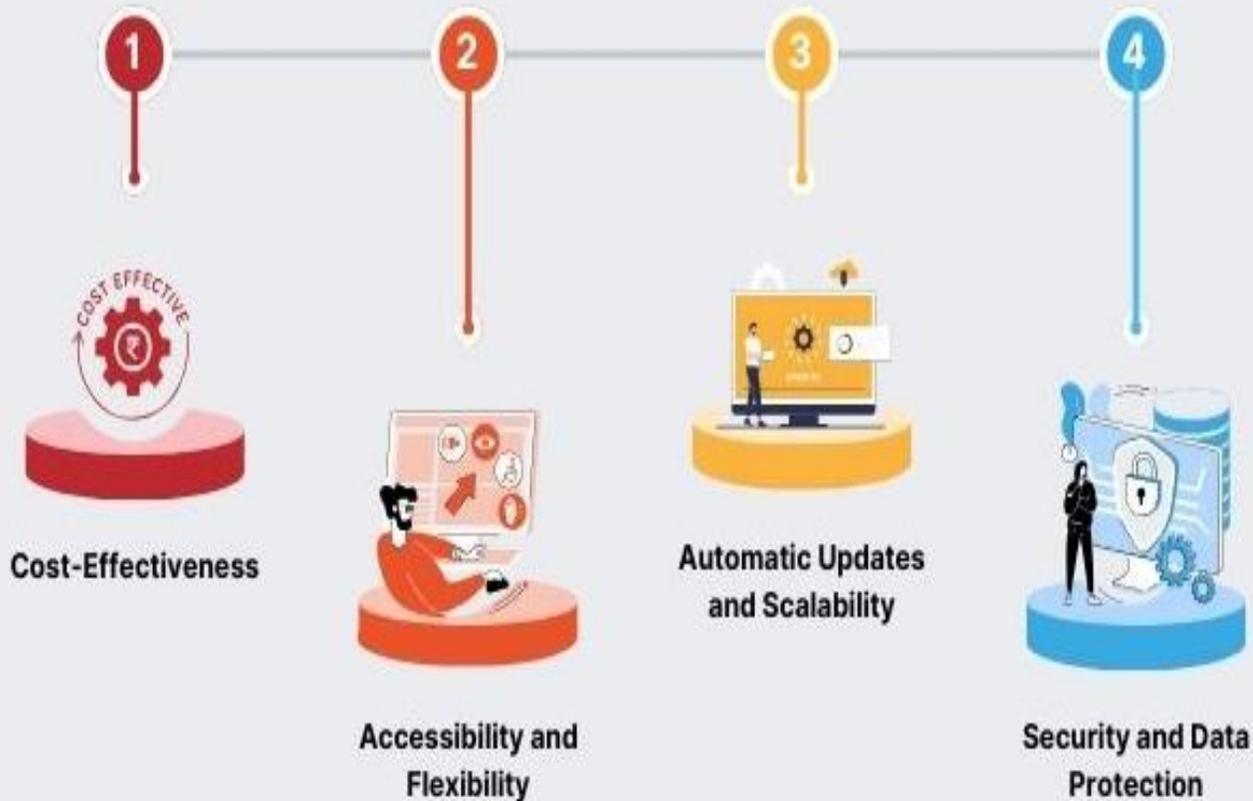
## Examples of Information

- ***Job applicant tracking***
- ***Onboarding Efficiencies***
- ***Disaster Recovery for HR files***



# General Ledger System Upgrade

## Cloud-Based General Ledger Software



## Benefits of Transitioning from MS Great Plains to Microsoft Dynamic 365 Business Central

- Maintain vendor support
- Enhance real-time reporting capabilities
- Introduce a more intuitive, user-friendly interface.
- Streamline system updates and security management
- Provide enhanced control and view of cash flow

# ICM Visibility Enhancement

*Streamlining access, enhancing reporting, and aligning best practices to foster an excellent trustee experience.*

## Strategic Initiatives

### Materials Accessibility

- Quick-reference aids
- Board effect micro training
- Improved packet navigation

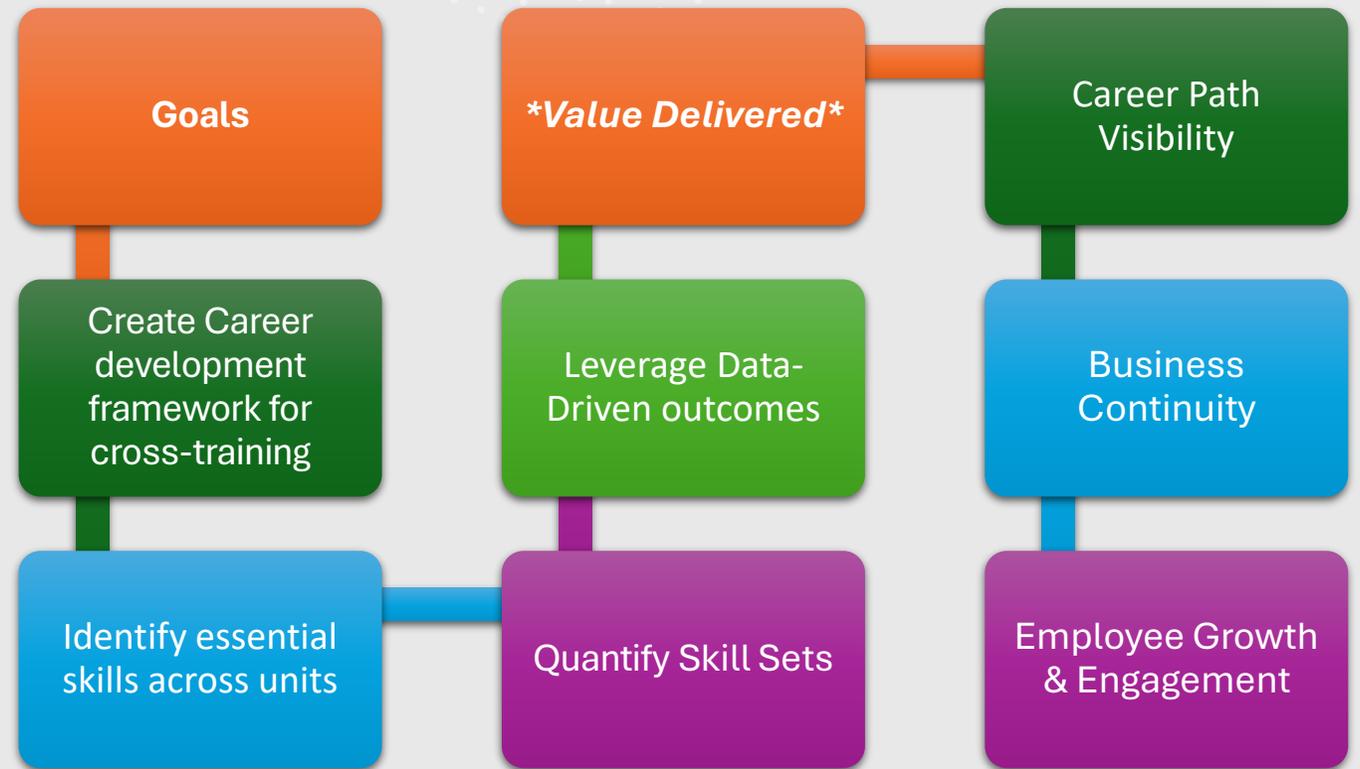
### Enhanced Outreach

- Expand IPSI reporting to show meeting volumes and rationale for declined managers
- Adjust meeting cadence and increase report frequency if needed

### Optimizing Information Visibility

- Timely insights and reporting on delegated activities per investment policies
- Continued use of feedback loops to ensure scalability and usability of information

# Workforce Resilience and Career Development Project



# Accessibility of Digital Content Project

## Goal:

Ensure accessibility for all web users by meeting ADA and WCAG 2.1 AA standards across public-facing and internal web-based systems.

## Benefits:

- Inclusive digital experiences for all members and the public
- Regulatory Compliance
- Workforce Diversity Readiness



# Internal Information Risk Management Framework

## Project Description

Plan and Implement a structured process to capture and protect institutional knowledge, support consistency in resource material management and keep our systems and data secure.

## Benefits

- Raise staff awareness on evolving information security risks and responsibilities.
- Create a process to manage policies, standards and procedures for critical processes.

## Approach



# Best Practices 2027

## Improving the Member Experience

### Research and Development Project

A forward-looking initiative to transform how retirement systems elevate the member experience:

- Digitizing Member Satisfaction
- Protecting Member Privacy
- Expedient Member Services
- Interactive Seamless Portal Navigation

